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No Documents Signed During Baltic Leaders' Meeting

WS0405073694 Tallinn BNS in English 1944 GMT 3 May 94

[Text] Riga, May 03, BNS—The Baltic states' presidents, Guntis Ulmanis, Lennart Meri and Algirdas Brazauskas, discussed Tuesday [3 May] Russian Army withdrawal from Baltics, and Latvian—Russian recently signed agreements, President's Office told BNS. [sentence as received]

The presidents met in Latvian president's residence in Dubulti. No documents were signed during the meeting, the Latvian presidential office said. Officials refused to give any commentaries to press.

The talks were confidential and no interpreters participated in them.

Shumeyko Reports on Nagorno-Karabakh Talks in Bishkek

LD0305194794 Bishkek Kyrgyz Radio First Program Network in Russian 1605 GMT 3 May 94

[Text] As reported earlier, Vladimir Shumeyko, chairman of the CIS Interparliamentary Assembly, arrived in Bishkek yesterday. Vladimir Shumeyko and Medetkhan Sherimkulov, chairman of the Jogorku Kenesh, addressed journalists.

[Begin recording] [Sherimkulov] I am pleased to greet Vladimir Philippovich in Kyrgyzstan. He is highly respected by all of us. We have centuries-old friendly relations with Russia and I hope that we, with Vladimir Philippovich and our parliaments, will do everything so as to maintain and facilitate friendly and close cooperation between our states and our people.

[Shumeyko] A parliamentary delegation from Azerbaijan has visited us recently. It was led by the chairman of its Supreme Soviet, and he and I have agreed to give an impetus [words indistinct] to the meeting in Bishkek and peacemaking efforts, which are being taken by a group from the Interparliamentary Assembly led by Medetkhan Sherimkulovoch, his personal visit to [words indistinct].

I believe it is useful for three heads of parliaments of the three member-states of the Interparliamentary Assembly to gather here. We have agreed to consider Nagorno-Karabakh as one of the sides involved in the conflict. I emphasize here: one of the sides of the conflict. You know that Azerbaijan's policy was that only two states are involved in the conflict, Armenia and Azerbaijan, and Nagorno-Karabakh is [words indistinct] of the conflict. I believe that considering it as one of the participants of the conflict is a (?major step). A possibility for holding talks at the level of heads of parliaments [words indistinct] the previous activity of our peacemaking group which is led by Medetkhan Sherimkulovich. It has done quite a lot in preparing grounds for the talks. I pin hopes on common sense.

[Sherimkulov] [Words indistinct] the Interparliamentary Assembly led by Vladimir Philippovich Shumeyko will give a certain weight to the talks [words indistinct]. Indeed, we hope that we will be able to get off the ground in solving this problem. We know that both Azerbaijan and Armenia and Nagorno-Karabakh [words indistinct] this pointless bloody war which killed people, has made thousands of people homeless, increased the number of refugees and destroyed their homes. There has never been a case before when heads of parliament gathered together and sat around a negotiating table. This has never happened before at such a level. I think that this is a good sign.

[Shumeyko] You can't look without optimism at life. I can't give any other example [words indistinct]. We, at the Interparliamentary Assembly, or in other words parliamentarians, representing their own people, do not have the right to leave this mattter unattended and to be pessimistic about it despite all the difficulties. We should work hard on settling this conflict, no matter how long it takes. That's what we intend to do. [end recording]

ITAR-TASS Carries Press Review for 4 May

LD0405070294 Moscow ITAR-TASS in English 0534 GMT 4 May 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow May 4 (ITAR-TASS)—The ROSSIYSKIYE VESTI newspaper front-pages a series of interviews with Moscow citizens who told the newspaper about their cares and concerns. Interviews were published under the general headline: "Politics withdraws from streets. But it is too early to say that it happened as a result of 'St. George Agreement' (eds: the treaty on social accord signed at the St. George's Hall in the Kremlin), although its influence on public life is great".

According to the newspaper, even those who do not believe in the sincerity of authorities and would like to have "revolutionary" changes, "are forced to heed the unwillingness of the popular masses to settle their problems in the streets".

Here is an opinion expressed by Moscow worker Aleksey Dorokhin: "The leaders of the state should learn to think about people. We support the government both in words and labour. I believe that some forces are deliberately driving a wedge between us. "The main thing now is not to fall for provocations but to continue efficient work".

Writing about World Press Freedom Day which was marked on Tuesday, the same newspaper singles out an extract from a message to Russian journalists by UNESCO Director-General Federico Mayor, saying:

"Democratic changes in Russia would have been impossible without bold and persistent activities of journalists who believe in the freedom of expressing opinion and who work for it".

The TRUD newspaper also discusses the above treaty in its commentary under the following headline "Road to Accord Is Not an Easy One, But It Should Be Covered".

In the newspaper's opinion, the essence of this agreement is simple: "To put common interests above group, party, deparmental and regional aspirations and to preclude a chance of settling problems in society by force".

Putting the question of what attitude should be taken to the treaty, the newspaper says that one should not overestimate it and to sleep on laurels. Taking into account the fact that the treaty was not signed by forces ready for any methods of struggle, TRUD writes that "the danger of violence will loom over society in some or other way".

The KRASNAYA ZVEZDA newspaper writes about the agreement of the heads of government of the Commonwealth of Independent States on mutual recognition of privileges and guarantees for veterans and invalids of the Great Patriotic War, 1941-1945, participants in combat operations in the territory of other states and families of fallen servicemen as well as supplements 1 and 2 to the present agreement.

The same newspaper writes how the government settles problems of supplying the Armed Forces with foodstuffs in the conditions when the cattle and poultry populations sharply dropped in the country.

Noting that the Army now controls not 67 state farms which remained after the collapse of the Soviet Union but many more, the newspaper notes that these so-called military state farms should become one of guaranteed sources for supplying the Army and the Navy with foodstuffs.

The press devotes much space to materials describing how residents of Moscow and other cities marked May Day. The RABOCHAYA TRIBUNA newspaper carries its report on this event under the title "Well, we have marked May Day. Quietly. People were not vociferous and did not frown much".

The newspaper quotes slogans voiced during a May Day demonstration organised by Moscow trade unions: "Check Industrial Slump. Bridle Inflation. Pay Wages in Time".

RABOCHAYA TRIBUNA notes that "the holiday passed in a civilised way. There was no 'fistfighting'. There was no references to "the great, omnipotent and united party".

Publishing detailed accounts of May Day celebrations, the PRAVDA newspaper stresses words that "columns of Moscow workers peacefully marched at places where blood had been shed last year".

The newspaper quotes an opinion by Gennadiy Zyuganov, chairman of the Russian Communist Party, that the May Day demonstration became an action by "those who disagrees with reforms of extremism and with an attempt at legalising inequality and injustice with the help of the social treaty".

The same newspaper gives a summary of an interview by President Boris Yeltsin to the French FIGARO newspaper. It singles out his words that "the true danger (eds: for Russia) will be the next president", since, Yeltsin said, "I do not see a possible candidate. At least at present". According to the KOMSOMOLSKAYA PRAVDA newspaper, it carries a sensational article entitled "Russia's northern fleet is being killed slowly and with relish". As a result of a shortage of funds appropriated for the fleet's needs, "The number of the fleet's ships and vessels dropped by 45 per cent since 1988".

"The utilisation of nuclear-powered submarines provokes special concern", the newspaper stresses.

Defense Officials Begin Talks With U.S. Delegation

LD0405083894 Moscow ITAR-TASS in English 0818 GMT 4 May 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow May 4 TASS—Russian defence officials are holding talks today with a U.S. military delegation which arrived in Moscow on Tuesday. The U.S. delegation to the talks held in the Russian Defence Ministry is led by the U.S. defence secretary's aide for issues of nuclear security, Ashton Carter. Russia is represented by a working group consisting of officers and generals of the general staff and main departments of the Defence Ministry. The Russian delegation is led by Lieutenant-General Gennadiy Ivanov, aide of the Russian defence minister for military politics.

The two-day talks are devoted to the discussion of further steps to improve coordination and strengthen confidence between the defence departments of the two countries, sources from the Russian Defence Ministry told ITAR-TASS.

Kozyrev: PLO-Israel Signing First Step to Peace

LD0305161494 Moscow ITAR-TASS in English 1535 GMT 3 May 94

[Text] Cairo May 3 TASS—Russia considers the PLO-Israeli document signing as the first major step towards comprehensive Mideastern settlement and historic reconciliation of Israel with its Arab neighbours, Russian Foreign Minister Andrey Kozyrev said in a brief statement at the Cairo airport today.

"We will continue doing everything to help the implementation of the agreements," he said. In his words, the PLO and Israeli leaders have managed to reach the agreement with the international support on the part of Russia and the United States, the co-chairmen of the peace process, as well as active mediating efforts of Egypt. The recent Moscow visits of the PLO leader Yasir 'Arafat and Israeli Prime Minister Yitzhaq Rabin boosted the ceremony.

Kozyrev stressed this is not his first visit to Egypt and described as "friendly" the relations between Russia and Egypt. He said he has brought a personal message of Boris Yeltsin to Egyptian leader Hosni Mubarak.

"The Russian initiative to convene the Mideastern peace conference of the Madrid type remains valid. Its implementation at a corresponding stage would enable an additional impetus to the whole Mideastern settlement process," Kozyrev told ITAR-TASS in response to a question about the prospects for the Madrid-2 forum.

"We suggested this at a time when the Arab-Israeli negotiations faced certain difficulties. There was a need for initiatives to unblock the deadend. At the same time, we considers an agreement on the implementation of the Gaza-Jericho—first treaty a priority," he said.

After the agreement is signed, Madrid-2 may become an important step towards peace, said the Russian foreign minister.

Kozyrev on Mideast Peace, Invitation to Mubarak

LD0305181794 Moscow ITAR-TASS World Service in Russian 1737 GMT 3 May 94

[By ITAR-TASS special corrwespondent Dmitriy Gorokhov and correspondent Georgiy Shelenkov]

[Text] Cairo, 3 May—Russian Foreign Minister Andrey Kozyrev, who arrived in Cairo today to attend the signing of the Palestine-Israel agreement, has handed a personal message from Russian President Boris Yeltsin to Egyptian President Husni Mubarak. In the message the head of the Russian state confirmed his invitation to H. Mubarak to visit Moscow. This visit, Kozyrev told journalists, can take place in the forseeable future.

Answering questions from journalists after meeting H. Mubarak at the presidential palace "Al-Ittihadia," the head of Russian diplomacy noted that at the meeting Russia's preparedness was confirmed to assist further steps along this path together with the United States, which co-chairs with Russia the Middle East peace process, and Egypt.

Tomorrow's signing of the Palestine-Israel document, Kozyrev said, "will become a good present" for President Mubarak, who is celebrating his birthday on Wednesday.

The realization of the Palestine-Israel agreement, the minister continued, will present the Palestinians with some difficult tasks in implementing autonomy. Russia is ready to give them all possible assistance in this.

Moscow also intends to contribute to progress in the Syrian-Israeli direction of the peace process, too. "We will make every effort to bring closer the positions of the sides," Kozyrev said. "Maybe we are on the threshold of a new peace process, that between Syria and Israel."

NATO Officials Optimistic on Russia Joing PFP

PM0305152994 Moscow IZVESTIYA in Russian 4 May 94 p 3

[Yuriy Kovalenko report: "NATO Ready To Hoist Russian Flag"]

[Text] Paris—NATO has recently received some highly encouraging signals suggesting that Russia will sign the Partnership for Peace [PFP] agreement in the next few months, Sergio Silvio Balanzino, NATO deputy secretary general, has stated.

It would be premature to think that Moscow will affiliate to this program in May or June, the deputy secretary

general noted, addressing the opening of the headquarters of the Partnership for Peace coordinating center in the Belgian city of Mons, but we hope that the Russian flag will fly here alongside the others this summer.

Previously this same building in Mons housed the center which directed the Live Oak military program, which was designed to repulse Moscow in the event that it tried to blockade West Berlin. It symbolized the division of Europe, U.S. General George Joulwan, NATO supreme allied commander Europe, stressed at the ceremony, but in the future it will be a symbol of the new NATO and the new Europe.

It seems that the Russian Government, the NATO deputy secretary general noted, is now unanimous over the need to affiliate to Partnership for Peace, which 14 East European countries have joined.

It seems that NATO regards the participation of General Vladimir Zhurbenko, deputy chief of the Russian General Staff, in the NATO military planning committee session in Brussels as one of these signals: Among other things that session examined questions of cooperation with the East.

In the weeks ahead, military men from the East European states will begin preparing for joint exercises in Mons and participation in peacekeeping operations and other NATO events. The first maneuvers within the Partnership for Peace program will be held this summer.

Russia 'Not Shying Away' From Partnership for Peace

LD0305160794 Moscow Radio Moscow World Service in English 1110 GMT 3 May 94

[Text] A conference of NATO's defense ministers and ministers of defense of the former Warsaw Pact alliance will be held in Brussels at the end of May. The conference will examine the issues of NATO's Partnership for Peace program. Anatoliy Potapov now comments on Russia's attitude to the program.

Lately many politicians from the NATO member countries have turned their attention to Russia's delay in joining the NATO Partnership for Peace program. Sometimes some of them even allow themselves to come to such a conclusion that Russia is after all not going to join the NATO program.

Now let us examine the real issues at stake. It should be remembered that there is a single document that must be signed by each state that has embraced NATO's program. This is the first stage of joining the program. Moscow has no fundamental disagreements with this single document that spells out in general terms NATO's Partnership for Peace program.

Even though Russian experts have on several occasions pointed to the document's nebulous character and its perfunctoriness, this is of course a general declaration of intentions. It is the second stage of the program that is very important: the handing over of a so-called presentation document to NATO.

In this document it is written in black and white what exactly each country expects from the program and what contributions are expected from each state—that is, the rights and obligations of member states of the NATO's partnership program.

Moscow believes that the first stage—the signing of the single document—is a mere formality that represents no binding obligation. The crux and the concrete content of the partnership program is embedded in the second stage. The planned partnership and the scope and scale of the proposed agreement are clearly spelled out in this second document.

Experts in Moscow are now working on this second document to determine clearly all the aspects of the partnership program in order to make it abundantly clear to Russia and to NATO. Russia may sign the little, single document—that is, the first stage. It may similarly propose in its place a more capacious and concrete agreement. The most important thing is that Moscow is not moving or shying away from the NATO program, but on the contrary would want to establish a solid base for its signing.

In preparing the draft of such an agreement, Russia hopes to consult NATO. This, of course, will take time, but then the working program of the partnership would be harmonized in reality and would be very solid.

Why is Russia now giving such minute and detailed attention to the hammering out of the draft of the future agreement? Because it should contain certain Russian-specific points, certain Russian interests. It should be noted that no other European country invited to join the program possesses such huge and powerful nuclear weapons as Russia. Neither [as heard] of them has the same weight and influence in the world arena like Russia does, and none of them has the same geopolitical peculiarities as Russia. That's why Moscow would want these basic conditions and peculiarities taken into account in planning the partnership program.

Therefore, it is not the formal time of joining the NATO's partnership program which matters. The issue is that the partnership between Russia and NATO should be real: equal in reality and in the interests of a stable and permanent European security.

ROK, Russia To Swap Information on DPRK Nuke Program

SK0405001894 Seoul YONHAP in English 0008 GMT 4 May 94

[Text] Moscow, May 3 (YONHAP)—South Korean Defense Minister Yi Pyong-tae and his Russian counterpart Pavel Grachev have agreed to exchange information on Pyongyang's nuclear weapons program in a joint

effort to check a major threat to world peace, sources at the South Korean Embassy here said Wednesday.

During Yi's meeting with Grachev Saturday, the two ministers shared the view that exchanging such information is essential to maintain peace in Northeast Asia and on the Korean peninsula, a senior official said.

The agreement should help Seoul gauge the progress of Pyongyang's nuclear arms development program, he noted.

ROK President To Visit Moscow, Uzbekistan in June

LD0405051094 Moscow ITAR-TASS in English 0420 GMT 4 May 94

[By ITAR-TASS correspondent Ivan Zakharchenko]

[Text] Seoul May 4—South Korean President Kim Yong-sam will come to the Russian Federation on a four-day official visit between June 1 and 4 at the invitation of President Boris Yeltsin as well as to Uzbekistan on a three-day visit at the invitation of President Islam Karimov, the spokesman of the president's office said at a briefing in Seoul on Wednesday.

According to the spokesman, the South Korean president will visit the Russian port city of Vladivostok on his way back home.

Kim plans to hold talks with Yeltsin during the visit, at which the sides will exchange opinions on the situation on the Korean peninsula and the situation in the world as a whole. They will also discuss ways of strengthening bilateral relations.

"The visit by President Kim Yong-sam to Russia will help to strengthen further relations between the two countries for the sake of preserving peace on the Korean peninsula and will step up bilateral cooperation in joint development of natural resources and technological development for the sake of mutual prosperity of the two countries," stressed the spokesman.

He added that "the coming visit will have great importance for building the foundations of foreign policy by which the Korean civil government abides, focusing on the development of relations with the four neighbouring powers".

In accordance with this diplomacy, Kim visited the United States last November as well as Japan and China last March. He will go to Russia this time.

In June 1989, Kim was in Moscow as the leader of the opposition Democratic Party for Reunification. He met Yeltsin in Seoul in the capacity of a candidate for the highest state post from the ruling Democratic Liberal Party during the Russian president's visit to South Korea in November 1992.

Presidents Kim and Karimov will discuss chances for developing relations between the two countries. Incidentally, the largest community of Koreans in the countries of the Commonwealth of Independent States (CIS) lives in Uzbekistan.

The South Korean-Uzbek summit "will help to establish relations in the economic and other spheres also with other CIS members which recently gained independence", the spokesman noted.

Moscow, EC Reach Compromise on Nuclear-Cycle Exports

MK0405094094 Moscow KOMMERSANT-DAILY in Russian 4 May 94 p 1

[Natalya Kalashnikova report: "Trade Partnership With the EC Depends on 'Political Will'"]

[Text] The consultations between Deputy Prime Minister Aleksandr Shokhin and Sir Leon Britten, deputy chief of the European Commission, which were held 2 May in Moscow effectively marked an end to a nearly two-year-long marathon of negotiating a partnership and cooperation accord between Russia and the EC. Solutions to the most contentious problem—the Russian export of nuclear-cycle goods—were finally found during the meeting. Mr. Shokhin pointed out that "if the political will is present," the agreement may now be initialed by the end of Greece's chairmanship in the EC (it expires at the end of June). For the time being experts will have to "weigh the balance of interests set forth in the agreement" yet another time—there will be no more high-level talks.

A solution on the export of nuclear-cycle goods, including uranium—an apple of discord in the talks—was reached thanks to mutual concessions. Initially, the EC was not inclined at all to accept Russia's proposal on including this subject in the draft agreement on partnership. During the Moscow meeting a compromise was reached. According to Mr. Shokhin, the two sides decided that, first, a special agreement on trade in nuclear-cycle goods be worked out; and, second, that this matter be presently included in Article 20 of the draft agreement on partnership, citing, however, an existing agreement from 1989 with the EC. Among other things, the agreement calls for preliminary consultations to be held before quantitative limitations are imposed; the competence of Euratom to be recognized when solving trade issues; and a pledge by the sides "to take into account the situation on the market" (export volumes were not specified). In order to clarify their stances, the sides agreed to exchange corresponding letters.

The results of the Moscow meeting and talks on the partnership agreement in general must be considered by the EC Council 16 May. Mr. Shokhin pointed out that "there is hope" that this matter will be finally resolved because both side show their interest in it; he added, however, that now everything depends on "political will," otherwise the process may be delayed. As a matter

of fact, the European parliament passed a resolution the other day that links the conclusion of the agreement to the withdrawal of Russian troops from the Baltic states, even though it is only recommendatory in nature (then again, the parliament itself is bracing for an election).

The Moscow talks focused not only on the partnership accord. Mr. Shokhin and Sir Leon also signed a memorandum on setting up a working group to look into the possibilities of attracting foreign investment in Russia. According to Oleg Preksin, Russian member of the EBRD board of directors, who also joined the group, it will have to present the results of its work (a report) to the European Commission by 28 June. One of the key projects of the Russian side will be the creation of the Multilateral Agency to Guarantee Investment in Russia (MAGIR). That is to say, a multilateral fund involving both Russia and Western countries is to be set up abroad to insure investment against noncommercial risks (details of the project have yet to be clarified). This matter may be considered at the G-7's summer summit in Naples.

EU Spokesman Notes 'Remarkable Progress' in Talks

LD0305195094 Moscow ITAR-TASS in English 1858 GMT 3 May 94

[By ITAR-TASS correspondent Aleksandr Mineyev]

[Text] Brussels May 3 TASS—Press secretary of deputy head of the commission of the European Union Leon Brittan described Brittan's Moscow negotiations as remarkable progress.

He told a briefing at the commission today the negotiations with Russian Vice-Premier Aleksandr Shokhin aimed to sign the long-awaited agreement on partnership and cooperation between the European Union and Russia.

Although the sides have not finalized all the problems, the commission is optimistic about the agreement conclusion and contacts with the Russian vice-premier will be continued on telefax and over the telephone.

In the words of the press secretary, the sides reached good progress in the sphere of nuclear material trade, which is the main of the three problems in the agreement. The rest two—on sea transport and activities of European banks in Russia—will be settled as soon as the first problem is eliminated, he noted.

It is the matter of a compromise between some members of the European Union, including France, which fear the inflow into the European market of a large amount of cheap nuclear materials, and Russia, who wants to include nuclear material trade in the agreement alongside the trade of other goods, that is without discrimination. The Russian proposal to specify this problem with letters is being discussed.

After specific aspects of the draft document are finalized with Russia, the commission will pass it over to governments of the European Union member-states for consultations.

Border Guard Killed on Tajik-Afghan Border

LD0405044894 Moscow Mayak Radio Network in Russian 0400 GMT 4 May 94

[Text] Another Russian border guard has perished on the Tajik-Afghan border. According to a report from the Postfaktum agency, the guard was fatally wounded when the (Navrang) post in the sector of the 12th outpost of the Moskovskiy border guard detachment was fired on.

Diplomatic Relations Formalized With Russia

PA0405004994 Panama City LA PRENSA in Spanish 26 Apr 94 p 1A

[Report by Jose Quintero de Leon]

[Text] After six years of negotiations that began with the military government of Panama, the Republic of Panama yesterday formally established diplomatic relations with the Russian Federation in a ceremony attended by Panamanian Foreign Minister Jose Raul Mulino and his Russian counterpart, Andrey Kozyrev, in Moscow.

The Panamanian Foreign Ministry disclosed that the two ministers signed an agreement called the "Declaration of Principles of Relations and Cooperation Between the Russian Federation and the Republic of Panama." The essence of the agreement is the expansion of the respective countries' consular missions to the level of embassies.

Consular relations began in 1991 when President Guillermo Endara and President Boris Yeltsin decided to establish consulates to handle trade relations and cooperation between the two countries.

A Foreign Ministry bulletin reports Foreign Minister Kozyrev said that the Russian Federation considers Panama a future economic and financial power, and that he wants to strengthen trade relations.

In addition, Minister Mulino offered Panama's cooperation on banking issues, the Free Trade Zone, the reinsurance system, and on "maintaining constant consultation on Latin American geopolitical issues."

Political Issues

Draft Law To Restrict Media Coverage of State Bodies

LD0305201294 Moscow Russian Television Network in Russian 1600 GMT 3 May 94

[Video report by unidentified correspondent—from the "Vesti" newscast]

[Text] [Announcer] The State Duma and the Russian Government are preparing a federal law that would regulate coverage of the activities of the state power bodies by the state media.

[Correspondent] The draft has been prepared under the guidance of Mikhail Poltoranin, chairman of the Duma committee on information policy. The Duma intends to adopt the federal law by the second half of May.

The draft of the law stipulates what kind of information about the activities of the president, the Constitutional Court, the government, and the parliament must be included by state radio and television companies in their daily information programs. A detailed list is concluded by a phrase referring to other facts about the activity of federal bodies of state power that could be of public interest. This means that the obligatory list could be expanded indefinitely.

Let us have another look. Reports about the work of the president, the parliament, the government, and its presidium must be presented as a separate block, and only at the beginning of a bulletin. The size of these blocks is also strictly stipulated. Information programs are not to comment on the work of the president, parliament, or government. Journalists are also told when and whom they must interview at the Federal Assembly. Not obeying the new law may be treated as a criminal offense.

So, if the new law is adopted, state radio and television will not be simply deprived of comments: Vesti and other programs will contain only what all branches of state power with their countless press services will see fit to disclose about themselves. However, any citizen of free Russia will be able to hear analysis and comments on decisions taken by the authorities from programs produced by private radio and television stations, or, as in the good old days, from Radio Freedom or the BBC. In this case, journalists from the Russian radio and television will have to congratulate themselves and the public with a new victory for freedom of information in a state bureaucracy version.

Communist Leaders Praise May Day Demonstration

PM0405092594 Moscow PRAVDA in Russian 4 May 94 p 1

[Unattributed report: "How the Leaders Saw It"]

[Text] Gennadiy Zyuganov, chairman of the Communist Party of the Russian Federation Central Executive Committee:

"There was a sense of real solidarity. Political parties and trade unions marched side by side. With their own slogans, but together. And this after the pomp and circumstances of the signing of the 'Treaty on Social Accord'! This year's May Day demonstration was a demonstration by those who disagree with the extremism of the reforms and the attempt to use the social treaty to legitimize inequality and injustice.

"It did not work. Even the law enforcement officers were polite. They realized that fighting and battling with your own people is a horrible exercise and they showed restraint, despite being urged on. Only the country's leaders showed no restraint. Leaders congratulated working people on May Day in almost every state; it was only our leaders—former members and candidate members of the Politburo—who 'forgot.'"

Viktor Anpilov, secretary of the Russian Communist Workers' Party and leader of "Working Russia":

"This year's May Day demonstration was a worthy response to the self-righteous 'Treaty on Social Accord,' to the spread of capitalism, and to the ransacking of the people.

"You will note that we traveled the entire 10-km route peacefully—if there is no violence from the authorities, then their calls for 'accord' are unnecessary.

"People are striving for unity—Communists walked side by side with anarchists. It is a question of rallying the 'elite'—the leaders of political parties and movements."

Lyudmila Vartazarova, chairman of the Socialist Party of Working People:

"I have mixed feelings about May Day. On the one hand, it is good that people came with specific slogans. But, on the other hand, fewer people attended than last year. Why? Were they unhappy about the form of protest?"

Trade Union Official on Accord Treaty

PM0305122194 Moscow TRUD in Russian 30 Apr 94 pp 1, 2

[Interview with Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia, by Fedor Yemchenko; date and place not given: "Few Reasons for Rejoicing"—first four paragraphs are introduction]

[Text] The chairman of the Federation of Independent Trade Unions of Russia [FITUR] was one of the first to put his signature to the Treaty on Social Accord. It is worth noting that this took place on the eve of the holiday celebrating solidarity among working people.

The desire to change anything and everything in Russia has not bypassed May Day either. It has been proposed that henceforth it be called the spring labor holiday. A fine name, of course, but it does not reflect this date's historical essence. As we know, it was not at all because joy filled their hearts that workers first went out onto the streets on 1 May.

Russian working people have few reasons for rejoicing now either. That is why columns of working people will be carrying not flowers and leaders' portraits (as was the case at festivities full of false cheer) but demands and appeals to those who are in power.

On the eve of May Day TRUD's correspondent met with FITUR Chairman Mikhail Shmakov.

[Yemchenko] Mikhail Viktorovich, you recently had a meeting with the Russian president. What prompted it and what problems were discussed?

[Shmakov] The meeting was organized at our request. The economic situation in the country has hit labor collectives above all. The mutual nonpayments crisis has led to a situation whereby wages have stopped being paid to people. Social tension in certain regions and sectors of production has reached a critical level. Therefore the need for a direct meeting with the head of state arose, in order to make him aware of the full seriousness of the current situation and to state the Russian trade unions' position without using intermediaries.

[Yemchenko] What were the results of the talk with the president?

[Shmakov] I must observe that Boris Nikolayevich reacted to our alarm with understanding. After our meeting, incidentally, he instructed Premier V. Chernomyrdin to solve the problems which caused the closure of Zil's [I.A. Likhachev Motor Vehicle Plant] main production line.

Questions of reorganizing industrial enterprises were discussed at the meeting with Yeltsin. Putting it simply, problems of bankruptcy. Our position is quite definite here: Every enterprise must be dealt with individually. Plants and factories are often being shut down not because there is no demand for their output but because consumers do not have the means to purchase it. It became apparent from the conversation with the president that some of his advisers are urging the head of state and government to take what is in their view an easier path: Declaring bankrupt all enterprises which are currently unable to settle accounts for raw materials, energy, and transportation services. But this measure will lead to one-half of the country's being unemployed.

We favor the preservation of jobs. If an enterprise's output is really not needed by the market, that means its specialty must be changed and new technology introduced. People must have work and earn their keep. Unfortunately, there are many people in power structures who support Russia's conversion into a retail market for foreign firms' output. They say that this way the population's demand can be satisfied faster and more reliably. But we will thereby be encouraging the development of foreign producers, and we will ruin our own industry once and for all.

I want to stress that our position and the president's views on this question completely coincide.

[Yemchenko] It is understandable that society's social problems were the main topic of your conversation. I would like to know whether you broached the equally pressing question of the attack on trade union rights? As far as I know it is being actively discussed at virtually all trade union aktiv meetings and conferences. I am referring to the transfer of control of the social insurance fund to the state, attempts to lay hands on trade union property, and the draft of the new Labor Code which gives trade union organizations a secondary role.

[Shmakov] As regards the draft Labor Code prepared by Labor Ministry staffers, I can say one thing: We will never agree to such a version of this document. It is not only that it demeans the role of trade unions in regulating labor relations. This draft envisages a sharp reduction in social guarantees for hired workers. In other words, it is a rejection of all that has been won by working people in the long years of struggle. I think that even now, during discussion of the draft, its authors can see that this version of it will not be accepted.

As regards control of the social insurance fund. The State Duma is now preparing a law on social insurance. We have made our own proposals in it. This fund should operate under trade union control, otherwise it is unimaginable.

[Yemchenko] I suppose that at the meeting with the president you could not have failed to broach a document such as the Treaty on Social Accord.

[Shmakov] Quite so. Say what you like, today the problem of civic peace in society worries the country's entire population equally. The squabbles on the political Olympus are costing our state too dear. That is why the trade unions support the president's idea of achieving a solution based on civic accord to the crisis which has engulfed all aspects of our life.

In deciding to join the Treaty on Social Accord, the FITUR General Council Executive Committee noted that the draft document includes the main critical comments made by sector trade unions, regional trade union associations, and primary trade union organizations. Thus, for example, it recognizes the importance of implementing the general agreement for 1994 between all-Russia trade union associations, all-Russia employers' associations, and the government, as well as sector wages agreements. In short, the treaty envisages the use of levers of social partnership, and beyond this, we know, lies the solution of specific questions associated with the payment of wages, pensions, benefits and with creating a decent living standard for people.

At the same time the text of the document does not take account of a number of important proposals, therefore we will sign the treaty not unconditionally but taking account of the trade unions' dissenting opinion. This is that there can be no question of a "moratorium on strikes:" If through the fault of the authorities the collective treaty and the agreement on questions of wages, labor conditions, employment, and preserving established social guarantees are not implemented—in this case the trade unions reserve the right to take collective action.

We are also insisting that the existing budget debt as regards the payment of wages must be cleared not within one year but as early as in the first half of the year.

In our dissenting opinion we demand that Federation components' organs of state power solve a nationwide problem: Preserving the system of free general secondary (full) and primary vocational education.

Finally, the document must provide for an efficient mechanism of responsibility for all parties which have signed it.

[Yemchenko] A very important condition. But I am afraid that few people know the structure of the "mechanism." How can influence be exerted on the power structures if they contravene the signed document's provisions?

[Shmakov] As you know, the country's president is a guarantor ensuring that the commitments assumed will be met. He has sufficient powers. In this context I would like to say that not so long ago we signed a tripartite general agreement between entrepreneurs, the government, and trade unions. It envisages the prompt payment of wages, guaranteed labor safety, and the preservation of jobs.

[Yemchenko] Mikhail Viktorovich, the May Day holidays are almost here. This year they coincide with Easter. Because of this there have been calls to scrap any demonstrations and processions. What is the trade unions' position regarding this?

[Shmakov] For us May Day has been and will remain a day of solidarity among working people in the struggle for their rights. That is why trade unions are organizing demonstrations and rallies, at which demands defending the interests of hired workers will once again be heard.

[Yemchenko] In that case what do you understand by the word solidarity and how can it be expressed now?

[Shmakov] I will guess the subtext of your question. Yes, every sector has its own specific interests. And sector trade unions endeavor to protect them above all. But modern production development is such that all sectors within it are closely linked to each other. Therefore working people, wherever they work, have common interests, and that means common objectives of struggle. That is the whetstone on which solidarity is sharpened.

[Yemchenko] I think that solidarity among working people is also demonstrated by the extent to which trade unions are united. Unfortunately the reverse process can now be observed. What is your view of the future of the Russian trade union movement?

[Shmakov] Trade unions, like all of our society, are now experiencing a period of renewal. This process is never easy. At the moment it is too hard to say how they will emerge from it. But the fact that the trade union movement will in time become strong and united goes without saying. Hired workers have no other way of standing up for and protecting their social interests.

Comparison of Text of Social Accord Treaty

PM0305100594

Moscow IZVESTIYA in Russian on 30 April 1994 carries on page 4 the text of the Social Accord Treaty. The IZVESTIYA item version, entitled "Social Accord Treaty," has been compared to the Moscow ITAR-TASS version, minus the first paragraph, published on pages 18 to 22 of the 29 April Central Eurasia Daily Report, revealing the following variations:

Page 18, column one, paragraph four only sentence reads ...party, departmental, and regional interests, ruling out... (rewording)

Page 19, column two, last paragraph reads ...their budgets and the federal guarantees for the per capita minimum budgetary provision for regions through the Federal Subsidy Fund.

Federation components confirm their responsibility for collecting federal taxes on their territory and for channeling those funds into the federal budget.

5. With a view to strengthening local self-government, the Federation Council and State Duma pledge to elaborate and adopt federal laws laying down:

general principles for the organization of organs of local self-government;

guarantees of the independence of organs of local self-government in dealing with... (rewording, adding passage)

Page 21, column one, paragraph 10, reads ...the State Duma, Federation components, State Duma factions and groups, the Public Chamber, "Federation components, State Duma factions and groups"... (adding words.)

Economic Issues

Economic Restructuring Commission's Role Viewed

MK0405093094 Moscow KOMMERSANT-DAILY in Russian 4 May 94 p 3

[Viktor Ivanov report in the "Government Structural Policy" column: "Economic Restructuring Began With Creating a Commission"]

[Text] The Russian Government has returned to the idea of economic restructuring: That much is obvious from the decree On Forming the Russian Federation Government Commission on Structural Policy, which was officially disseminated yesterday. The commission is headed by Vice Premier Aleksandr Shokhin, and has become his first step as the main developer of Russia's economic strategy.

The government's special attention to structural policy is natural. Economic restructuring—that is to say, ending support for economically hopeless branches and redistribution of resources for the benefit of efficient enterprises—is a key element of market reforms in any country. Intensification of government efforts in this sphere is long overdue: Up to now, in spite of protestations about the need for economic restructuring, everything has been confined to a rather vague decree On Selective State Structural Policy in 1993 (it was adopted exactly a year ago). Since then no discernible moves in implementing the structural policy have been made, with the exception of last December's decree on stimulating the creation of financial industrial groups. Therefore the appearance of a special government commission on structural policy should demonstrate that the authorities have not forgotten the idea of restructuring Russia's economy.

It is also perfectly natural that the new commission has been initiated by Economy Minister Aleksandr Shokhin who headed it. Recently it became especially noticeable that having become economy minister, Shokhin still had to concentrate his main efforts not so much on internal economic problems as on talks with Western creditors and international financial organizations on the issue of Russia's foreign debts. Meanwhile Shokhin's reinforced positions in the government and the fact that Premier Viktor Chernomyrdin assigned him the actual role as chief developer of economic strategy called for unorthodox moves from him: so as to prove that he can cope well with his new role. The creation of a structural policy commission has become the first such step.

Even so the mere fact that the commission has been set up does not indicate yet that the Russian Government has a clear perception of how this policy should be implemented. In theory this is precisely what the commission is to decide (the decree in particular tasks it with preparing within a month proposals on volumes and sources of funds necessary for conducting structure policy). It is clear already at this stage, however, that the commission intends to proceed from the principle of "selectivity:" In other words, stress in every way that state financial support will be provided not to all industries but only to a chosen few. Likewise it is clear that the commission will recognize the fuel and energy complex, which was recently promised such assistance once again, as one of the main recipients of state financial assistance. Finally, (given Shokhin's experience in contacts with Western creditors) it is quite likely that the commission will work out proposals on financing economic restructuring with Western aid. It is noteworthy that recently an idea has been increasingly popular in international financial circles that no country can restructure its economy without massive financial aid from abroad.

From regulations on the structural policy commission

the commission's tasks are: to develop a federal program for restructuring Russia's economy for 1994-1995; define priorities in developing the economic branches; work out forms and methods of implementing state selective structural policy; and prepare proposals on selecting enterprises needing assistance and sources to finance this assistance

the commission coordinates the work of the Economy Ministry and other power bodies in pursuing structural policy

the commission provides assistance to enterprises on a special- purpose and repayable basis

representatives of entrepreneurial circles and commercial banks may take part in the work of the commission's scientific-methodological council.

Proposed 'Market Mechanism for Bankruptcies' Criticized

PM0305134994 Moscow ROSSIYSKIYE VESTI in Russian 28 Apr 94 p 1

[Unattributed article: "Enterprises on the Brink of Collapse Will Have To Prove Their Solvency or Go Bust"]

[Text] The president's edict "On Measures To Implement Legislative Acts on the Insolvency (Bankruptcy) of Enterprises," as well as his note on this subject to Prime Minister Viktor Chernomyrdin, are evidence that we are on the threshold of a qualitatively new stage of economic reform. Strictly speaking, we should have gone past that point a long time ago, but the undeveloped nature of market relations, the complex economic situation, and political instability have not permitted us to do this.

The first two factors are still in place. As far as the third is concerned, certain positive moves have evidently occurred here. To all appearances, Viktor Chernomyrdin's cabinet felt sufficiently strong to set about tackling a very unpopular task. In terms of its social and economic consequences, the administration of mass bankruptcies is comparable to the price liberalization in January 1992. The expected "pluses" as regards putting

the economy's structure in good order are obvious, but will the possible "minuses" finally sink it?

Unfortunately, the market mechanism for bankruptcies is being put into effect using glaringly nonmarket methods. It will not be the market which singles out the "no-hopers," but officials at various levels in accordance with criteria which they themselves have devised. It is proposed, for example, that the basic indicator of insolvency be the so-called liquidity coefficient, which is derived by dividing the sum of financial assets by the sum of short-term credits received by the enterprise. According to figures from the Russian Federation State Committee for Statistics, more than 1,000 Russian enterprises could by this criterion have been deemed to be bankrupt at the beginning of this year.

Clearly, those who do not wish to go bankrupt will devise a thousand and one ways of not getting on the "black list." Those who, on the contrary, want to go bankrupt will find this an absolutely simple task: Having acquired and spent credit, they go under the hammer. You can have no doubt that quite a few will wish to do this. In January of this year alone, more than 100 enterprises applied to Russian Federation State Committee for Management of State Property volunteering to be declared bankrupt. In the opinion of legal specialists, they wanted in this way to avoid an even less pleasant court examination involving their creditors.

There is in general a danger that energetic behind-the-scenes activities will unfold around the administrative "bankruptcy" procedures, with all the features associated with them from "disinterested" lobbying to bribery and financial machinations.

We can expect the same when the question of how to deal with insolvent enterprises is resolved: Should they be made to go bankrupt or should they be given money in order to "rescue" them. As we can see, there is a significant difference, and it will again be an official who decides whether to eliminate or spare them.

The paradox lies in the fact that in both cases a lot of money will be required. Private investors are unlikely to step up their involvement here, therefore the basic responsibility for expenditure will again fall on the budgets at all levels. Their "reserves of stability" will clearly determine the rate and scale of the bankruptcy process in a decisive manner.

Whatever happens, it is wrong to delay the reorganization of insolvent enterprises, and we do not possess any mechanisms other than administrative ones. The task is to make this process manageable, predictable, efficient, and open, and to reduce social costs to a minimum. Many ministries and departments are working on this at present.

Success Noted in Antipoaching Operation

PM0305104594 Moscow IZVESTIYA in Russian 30 Apr 94 p 2

[Boris Reznik and Natalya Ostrovskaya reports under the general heading "Operation Fishing Season": "Protecting Our Fish on the Border.... Homegrown Poachers Still Being Caught"]

[Text] Far East—The scale of brazen robbery in our territorial waters can be judged from the figures—more than 9,000 violations of the state border have been recorded in the space of just one year off the Kurils alone. These were mainly interminable incursions by Japanese poachers aiming to make illegal catches of fish and seafood.

Naturally, the Russian side could not tolerate this situation. The commander of the country's Border Guard Troops carefully planned and has successfully launched the wide-ranging "Fishing Season 1994" operation, in which ships and aircraft of the Pacific Fleet, staffers from fishery and environmental protection organs, customs officers, militiamen, and Prosecutor's Office staffers have been taking part.

"I would like to note," Colonel General Andrey Nikolayev, commander in chief of the Russian Federation Border Guard Troops, told me, "that Operation 'Fishing Season 1994' will not actually be limited to just one year. It will continue until such time as we restore order and can ensure the effective defense of Russia's interests here, on our Far Eastern borders. So this measure should be seen as systematic official military cooperation between the Border Guard Troops and the various environmental protection and law enforcement organs under a single plan aimed at completely safeguarding the state's economic interests.

"From the very first days of Operation 'Fishing Season'," the commander in chief said, "I have been asked how many poachers' fishing smacks have been arrested and how much illegally caught fish and seafood has been confiscated. I would like to stress that our main task is not to do this but to make poaching itself impossible. We can be said to be succeeding. I reported the situation on the state border, including the Far Eastern border, to President Yeltsin and I received political approval for the planned extensive measures to strengthen Russia's borders. And the government has provided economic support for these measures. So that our subunits are now up to their full complement and are being issued with modern equipment to ensure that their service goes normally.

"This is shown by just one detail—space-based intelligence-gathering has been used in Operation 'Fishing Season 1994.' Movements of poaching ships are now being monitored from space, and their positions show up clear as day.... Being in control of the operational situation, we are able to take the appropriate measures to respond."

The commander in chief also reported that, as well as the name change—to Federal Border Service-Border Guard Troops High Command—there has also been a change in the actual substance of the department's activities. Now it will be involved not only in serving on the country's borders but also in shaping state policy on the border.

Vladivostok—The first week of Operation "Fishing Season 1994" has shown that it is none other than our own Russian fishermen who are now the main violators of Russia's economic interests in the expanses of its Far Eastern seas. So says Anas Nurutdinov, deputy commander of the Pacific Border District.

"Fishing Season" had been widely publicized long before it began. But, as we know, there is no way of scaring "our own people." Over the past week nine intruder vessels have fallen into the "net." On Day One of the operation the Border Guard Troops, militiamen, fishery protection officers, and customs officers—taking part in such operations for the first time—detained the Sakhalin-registered seiner Omar-1 with contraband on board. Crabs, which had not been recorded anywhere by the captain, were destined to "find their way" abroad.

People abroad value not only high-quality seafood but also fresh-frozen fish. Thus, having stated that his vessel was empty and not carrying a cargo, the captain of the Maritime Kray trawler 50 Let VLKSM planned to ship 260 tonnes of perch, cod, and plaice to the South Korean port of Pusan for his own commercial interests. As he had managed to accumulate a considerable cargo, an investigation will follow. And Russia's "Primorrybprom" Enterprise will pay a fine of several hundred million rubles [R]. The Maritime Kray Internal Affairs Administration Department for Combating Crimes in the Fishing Industry also has a big "catch" to its credit. It was not for nothing that its staffers recently met the factory ship Iyeronim Uborevich returning to Vladivostok from a fishing trip. On board they discovered fresh-frozen and entirely unaccounted-for products worth R27 million.

There are 15 coastguard vessels, four ships from "Primorrybvod" and "Sakhalinrybvod," and two ships from the Pacific Fleet involved in Operation "Fishing Season," as well as daily patrols by Border Guard Troops' aircraft and helicopters. The entire Far Eastern sea area—from the Bering Straits to the Sea of Japan—is being monitored. As the ice situation improves, the number of coastguard vessels will be increased.

With the adoption of the government decision on Operation "Fishing Season 1994" the Far Eastern Border Guard Troops have finally been able to use their fleet and aircraft. Fully. Until recently the guards of the country's Far Eastern borders were on subsistence rations, without enough money or fuel. They have now received both "for the operation."

The first phase of "Fishing Season" will end 10 May. Phase Two will begin 10 June. It, like Phase One, will last 20 days. What then? Subsistence rations again? Will poachers once again be fishing off the South Kurils with impunity? Today, according to the Border Guard Troops, it is relatively quiet in this area. But until quite recently mass incursions into our waters by Japanese and other fishing smacks had been a common occurrence.

Specialists have calculated that the annual losses suffered from illegal fishing in Far Eastern waters run to more than $2 billion. That amount would be even bigger, were it not for the Border Guard Troops and militia.

Now for the first time, and despite all the difficulties, the state last year recovered $363,000 from foreign intruders in the form of fines. The militia in the shape of the Maritime Kray Internal Affairs Administration Department for Combating Crimes in the Fishing Industry alone, has recovered R6.7 billion for the state. That makes good the losses incurred from last year's thefts on ships and at enterprises in the Maritime Kray fisheries sector. So the expenditure on Operation "Fishing Season 1994" will be more than recouped.

Trade Union Chairman on Goals, Policies

PM0305103394 Moscow PRAVDA in Russian 30 Apr 94 p 2

[Interview with Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia, by Anatoliy Baranov; place and date not given: "Are Trade Unions a School for Optimism"]

[Text] [Baranov] May Day is a time when Russian trade unions are—ex officio—at the center of attention. Therefore the first question I would like to raise with you, Mikhail Shmakov, chairman of the Federation of Independent Trade Unions of Russia [FITUR], concerns the nature of May Day.

[Shmakov] We do not want to "surrender" this holiday to anyone. It is our trade union holiday. Earlier it was called the Day of International Solidarity of Working People, today it is dubbed "the day of spring and labor," which is not altogether correct. You may use the word "international" or you may diplomatically refrain from doing so—inner solidarity and appreciation of the common problems which beset people today, particularly people in Russia, are what is important. These problems are the payment of wages on time, the retention of jobs, and, in general terms, the stabilization of the economy—simply so that your own plant can provide a livelihood—jobs and a pay packet which enables people to live a decent life.

Each region will mark the holiday in its own way, we do not have a "mandatory program," each region itself determines how to celebrate. In St. Petersburg, for example, a ceremonial session of trade union activists will be held. Moscow and many other cities are planning to hold rallies and processions. In the capital an application has been lodged and accepted: There will be demonstrations and rallies. People will asssemble at Triumfalnaya Square at 0830, the procession will start

moving off along Tverskaya Street at 0915, and there will be a 30-minute rally outside the History Museum on Manezh Square at 1000.

A campaign to collect signatures in support of urgent trade union demands has been organized in Moscow in the runup to May Day. The main demands are the payment of wage arrears, job guarantees, the pursuit of a proper employment policy, and measures to prevent unemployment. Therefore these demands will either be submitted to Duma representatives directly from the platform or the rally will send a delegation to the president, the Federation Council, and the government.

[Baranov] Will this be the "working people's spring offensive"?

[Shmakov] "Spring offensive" is a good term, one taken from Western practice. Over there it is the time for concluding collective contracts. We do not set ourselves the goal of conducting seasonal work in defense of working people's rights. Different condition prevail here.

Our efforts this spring have been aimed at concluding a general agreement. The negotiations were tough, but an agreement was nevertheless signed 8 April. The main point now is to ensure that it is implemented. But if it is not, we will have to set a date for the offensive.

And, although the General Agreement-1994 was signed only recently, we have set ourselves the task of signing a similar Contract-1995 at the end of this year. That will be the offensive: Our fiscal year runs from 1 January through 31 December, and, ideally, the General Agreement, sector agreements, and collective contracts would be ready by its start.

[Baranov] A tradition has developed of late whereby the country's budget is passed with a year's delay. Is the trade unions' activity tied in with the activity of the budgetary commissions of the upper chamber of parliament and the State Duma?

[Shmakov] It should be. But there is no such practice today. The principle, however, should be as follows: The General Agreement constitutes a precondition of drawing up the state budget. Once you have an agreement, the government and employers assume material undertakings, and this must inevitably be reflected in the budget. Otherwise you have the absurd situation of an agreement with no resources to implement it.

[Baranov] What prevented such consultations being carried out on time this year?

[Shmakov] Discussion of the budget has only just gotten under way, and we were unable to delay signing the agreement. And it is also time to accustom the government to the actual idea of signing general agreements.

[Baranov] Does FITUR have political preferences?

[Shmakov] Trade unions cannot withdraw from politics altogether—politics permeates all our activity, but FITUR cannot have political goals today. The trade unions rally people on other grounds, first and foremost social and labor grounds. But we are not indifferent to the policy a particular government pursues, it is not all the same to us who wins the elections. But today we have no strong leaning toward a party. There is no party at present which is completely in tune with the trade unions' tasks. But we do support those parties and movements whose programs contain ideas similar to our own. And we have not taken off the agenda the idea of either setting up a party, like the Labor Party, geared toward trade unions or enjoying closer cooperation with an existing party which is ready to align itself with the trade unions.

[Baranov] Do the trade unions regard the Labor Party's plan as a "nonstarter?"

[Shmakov] I would not put it that way. It is on the back rather than the front burner.

[Baranov] Will the trade unions continue to transform or is the restructuring process over, and can results be expected?

[Shmakov] Experience suggests that transformation is necessary. The time of holding congresses is now under way in trade unions, and the prevailing feeling is that every trade union within FITUR should be more centrally organized. Overdemocratization of trade union life has not been beneficial. If we are to wage a proper struggle, rather than just go through the motions, centralization and control are needed.

[Baranov] There are now strict access and exit arrangements in the FITUR building. Is this the start of a strict internal policy?

[Shmakov] This is an imperative of life. We should at least control the situation in our own house. Commercial structures have moved into the building, they have their own "headaches," ordinary thefts occur, which did not before. This has nothing to do with the workers' movement.

[Baranov] But how in general can the workers' movement develop in conditions of crisis? Strikes do not intimidate employers....

[Shmakov] Strikes suit employers down to the ground. If people do not report for work, that is another reason for not paying out wages. Therefore the modern workers' movement and trade unions first and foremost can only be sufficiently effective when organized. I will not exaggerate. There will be no very great accomplishments at the present stage, but certain successes can be seen perfectly well. Our task today is to direct the movement toward tackling economic problems. If the wage of a worker in the forestry, textile, or machine building industry is not paid, the root of the evil is the same, but there are a host of ways of tackling it. But we advocate resolving conflicts through negotiation. And implementation of accords already signed is the number one

problem. We have learned how to draw up competent documents and learned how to reach agreement around the negotiating table. But we still have not learned how to implement what has been signed. That is indeed a very big common problem....

Military Issues

Ousted Aide Confident on Weapon Destruction

PM0305140194 Moscow NEZAVISIMAYA GAZETA in Russian 30 Apr 94 pp 1, 6

["First-Hand" Interview with Lieutenant General (Reserve) Anatoliy Kuntsevich, former chairman of Russian president's Committee for Convention Problems of Chemical and Biological Weapons, by Andrey Vaganov; place and date not given: "Anatoliy Kuntsevich: 'I Do Not Discuss Orders.' 'Chemical' General's First Interview Since His Dismissal"]

[Text] The closer Russia comes to the point that the air force calls "the point of no-return," in this case to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling, and Use of Chemical Weapons and on their Destruction, the more acute the squabbles in public and in private over this problem become.

One of the most important manifestations of the internal struggle within the top echelons of power was President Yeltsin's 7 April 1994 edict relieving Russian Academy of Sciences Academician Anatoliy Kuntsevich of his post as chairman of the Russian president's Committee for Convention Problems of Chemical and Biological Weapons. The edict contained the following wording—"for a single gross breach of professional duty." The president's press secretary Vyacheslav Kostikov interpreted this as follows: "The committee agreed to toxins being transported and stored in a major population center." However, it seems that, if this actually did occur, it was more of an excuse than the real reason. (Suffice it to say that Mr. Kuntsevich was ill at the time the edict was drafted).

The story linking Anatoliy Kuntsevich's dismissal with a "moral victory for the military-chemical dissident" Vil Mirzayanov and company is even less plausible.

Strangely enough, Lt. Gen. (Reserve) Kuntsevich does not seem to have suited certain structures within the Russian Defense Ministry. And they are not the only ones. Whatever you say about Anatoliy Kuntsevich, his status as a top-class professional and his undoubted international prestige gave him a many opportunities for candor. It is extremely likely that someone thought that the committee led by Kuntsevich was too "extradepartmental." Your NEZAVISIMAYA GAZETA was told by a highly-placed official from this department, who asked to remain anonymous, that "there are more than enough people who are unaware of the problem but who want to head up this organization. Many people are attracted by the chairmanship, which holds ministerial rank. Moreover, it will be easier for 'competent' organizations to control such an incompetent person."

[Vaganov] The specific wording of the presidential edict regarding your dismissal is pretty surprising for an official of your rank. Do you have any comment to make?

[Kuntsevich] I would like to say right away that, in accordance with the old soldier's custom, I do not discuss orders from above.

[Vaganov] Fine. Could you tell us how much of a surprise this was to you?

[Kuntsevich] This situation can be regarded in different ways. I do not want to get personal. There is a Russian presidential edict which I am obliged to implement.

But I must say on the whole that the problem of chemical disarmament concerns very important and extremely sensitive aspects of our state's activity. Naturally a whole range of opinions arise when these matters are being decided. How can they be resolved so as to accord with national interests above all? On the other hand we have to act so that Russia does not "drop out" of civilized forms of communication with other states.

[Vaganov] How did the Committee on Convention Problems begin its activity?

[Kuntsevich] The Convention on the Prohibition of Biological Weapons was formulated way back in 1972. The USSR subscribed to it in 1975. However, no legal documents were adopted at the time banning the development of offensive biological programs in the USSR.

In February 1992 the Committee on Convention Problems of Chemical and Biological Weapons was set up under the Russian president, and 11 April that same year a Russian presidential edict appeared with the committee's direct participation aimed at ensuring Russia's fulfillment of international convention commitments in the sphere of biological weapons and banning the implementation in our country of any offensive biological programs. The committee was made responsible for supervising implementation of this edict's provisions. The matter was finalized in law. In my view, this was the committee's first major act, and it drew worldwide attention.

It was then necessary to discover forms and means of working that would make it possible to remove mutual suspicion and anxiety between Russia, the United States, Britain, and other countries in the sphere of biological weapons. We proposed carrying out a series of inspections. This approach of ours was put into effect in September 1992 in a tripartite—Russian-U.S.-British—joint statement, which also made provision for the principle of carrying out mutual inspections.

These inspections have gone ahead in 1993-1994. A joint group of U.S. and British experts and inspectors

inspected four facilities in Russia. Russian specialists accordingly visited three installations in the United States and one in Britain. A real foundation developed for comparing our countries' scientific, technical, and industrial potential in this field with facts and figures in hand. Thus, we brought our relations to the point of possible quantitative juxtaposition and comparison. Today, a good working roundtable has formed at which any problems can be constructively discussed.

[Vaganov] And this is the moment when you, one of the people who set up this roundtable, are unexpectedly removed from the chairmanship of the Committee on Convention Problems. It looks as though there is a negative opinion of your work in this post.

[Kuntsevich] That has nothing to do with the committee's activity. I do not think that this decision was based on what you have said. The committee is not me alone. There are 57 people working on it today. By current standards that is a small collective, but it comprises eminent specialists. Perhaps that is my main achievement—that I succeeded in finding people who are professionally aware of the full complexity and multifaceted nature of the problems and really have an idea of the possible ways of resolving them without harming Russia's national interests and security.

[Vaganov] What do you think are the main difficulties facing Russia in the sphere of chemical disarmament?

[Kuntsevich] The most challenging problem is the problem of what is to be done with the Convention on the Prohibition of Chemical Weapons which Russia signed in January 1993. It concerns Russia's highest international and national interests.

No matter how my opponents reproach me for rushing to sign this convention, I categorically disagree with that. The negotiating process began back in 1980 or even earlier. Moreover, as for the history of this problem, Russia came to the negotiating table back in...1968. It was then that the first legal document in the field of chemical weapons appeared in St. Petersburg—a declaration banning the use of poisoned bullets was signed.

[Vaganov] To return to today's events....

[Kuntsevich] We are in effect talking about one thing today—whether or not to ratify the convention.

[Vaganov] What do you predict?

[Kuntsevich] This is all pretty tricky. I spoke about it at the State Duma hearings 24 March this year. We have to square economic, financial, and technological potential with our commitments under this convention and determine the real priorities in disarmament. Russia's international political, moral, and ethical prestige is undoubtedly in the balance.

From the time when the committee was formed I always said that, for Russia to be able to join this convention, it was essential to create powerful international support for it, bearing in mind our current difficult economic and financial situation. This international support must undoubtedly come under our intellectual, scientific and technical, and organizational leadership. I am talking not about obtaining some kind of financial or technological handout but about creating a committed pool of support for Russia's chemical weapons destruction program—which is particularly important during the initial phase.

In addition, previously my opponents tried via the mass media to present me as a rabid supporter of the military-chemical complex, dreaming of how to drag out the process of chemical disarmament and ridding Russia of the heavy military-chemical burden. However, to be fair I must say that of late my opponents have done a complete turnabout. They are now trying to persuade the public that Kuntsevich was allegedly in a hurry and impelled Russia to sign the Convention on the Prohibition of Chemical Weapons. I categorically refute that opinion and consider it unprofessional in every respect—from both the state, the political, and the general human viewpoints.

It is now being said that the committee chairman was developing pro-Western sentiments and upholding a Western line. But, pardon me for saying so, what strategic line should I have developed in the interests of my taxpayer? Would it really have been bad for the committee to try to obtain $6 billion in aid (and the preconditions for that did exist)? I can say that the preconditions are still there today for us to obtain almost $1 billion in foreign aid. Can that really be bad for Russia?

[Vaganov] So, someone in the top ranks of the Russian leadership has decided that it is bad....

[Kuntsevich] I do not think that this decision came from the top. However, there are obviously politicians and various currents that are trying to play this card in their own interests.

[Vaganov] Now a very tough question: Where are the chemical weapons to be destroyed?

[Kuntsevich] We have to be realistic about this: There is not a single component of the Federation today that would voluntarily accept chemical munitions for destruction on its territory. And few would even allow them to be transported across their territory. So we must design a system whereby these weapons will be destroyed right in the areas where they are stored. National unity has to be secured on this: All the other components of the Federation must not simply be left as detached observers, especially since the timeframes for the safe storage of chemical weapons are ebbing away before our eyes.

The regions must join forces with industrial and entrepreneurial structures and set up a system of funds. And corresponding concessions enshrined in legislation by the State Duma are needed in order for regions where chemical weapons destruction facilities are located to obtain the requisite investment.

[Vaganov] Following your dismissal, do you still have a real chance of influencing the destruction of chemical weapons?

[Kuntsevich] I am a chemist by profession. In the more specialized sense I am a specialist in the destruction of toxic substances. I began studying this in 1958 right after graduating from the Academy of Chemical Protection. I will most likely now return to the Russian Academy of Sciences, where before my committee appointment I was working mainly on the recycling of intermediate products and toxic substances and on the conversion of production facilities.

In particular, I will do everything in my power to implement the idea of creating a system of funds to support the program for the destruction of chemical weapons. There are many people who are interested in this. But they want guarantees from the state, they want to be sure that they are involved not in a vain undertaking but in an important, promising job. And there are elements that they find very appealing. First, involvement in what is effectively a global project for the destruction of chemical weapons. In this connection—and this is the second point—the project has strong political "protection." Any authority—I mean any sensible authority—will do its utmost to reinforce this political "protection." Consequently, guarantees of stability—political and state—exist that will ultimately not only enable Russia to meet its international commitments under the convention but will also make it possible to rid Russian citizens and all mankind of the threat of one of the most insidious kinds of mass-destruction weapon.

Video Shows 'Top Secret' Mi-28 Helicopter

PM0305153994 Moscow Ostankino Television First Channel Network in Russian 0600 GMT 2 May 94

[From the "Test Range" program: Report over video of "top secret" Mi-28 combat helicopter]

[Text] [Unidentified correspondent over video of closeups of Mi-28 helicopter] What you see on your screens is the new top secret Mi-28 combat helicopter which was conceived at the Mil Design Bureau. This machine, which is still shrouded in secrecy, has already managed to acquire a nickname—"tank buster."

[Donald Duck-type voice] Thanks for the warning.

[Correspondent] It does not hurt to know that, as regards combat equipment, the Mi-28 helicopter is without parallel in the world.

[Donald Duck-type voice] The U.S. Apache helicopter in comparison with ours does not do very much.

[Correspondent] The powerful 30-mm gun with which the Mi-28 is fitted can turn 220 degrees and destroy armored targets over a distance of 3 km with ease.

[Donald Duck-type voice] Quite right. Don't let anyone get closer. Moscow is right behind us.

[Correspondent] In addition it would not be fair to withhold from potential enemies that the helicopter is equipped with top class Shturm and Ataka guided missiles. Ninety-nine times out of a hundred there is no getting away from them. In addition there is also a variety of other projectiles, 500-kg bombs, and also a device for laying mines.

[Donald Duck-type voice] Armed to its teeth, you might say.

[Correspondent] It is no accident that, in line with its image, the Mi-28 is listed in the British Jane's Defense Data reference book under the code name Havoc [in English as heard], which in Russian would be destroyer [razrushitel].

[Donald Duck-voice] Just as well it is not the Ripper [potrashitel].

[Correspondent] On the other hand, this top class helicopter is very difficult to destroy in combat. The crew is protected against the enemy by an armored cockpit and armored glass.

[Donald Duck-voice] Quite right, look after your own, let the others be frightened.

[Correspondent] Should someone nonetheless succeed in downing our falcons, special gear will enable them to crash-land from the height of a five-storey building without a parachute and without contracting a headache. However the greatest cause of joy for our enemies will be the Mi-28 helicopter's sensational flight performance. It appears that it can fly sideways, back to front, and even elegantly loop the loop.

[Donald Duck-type voice] Could the pilot be Nesterov's grandson?

[Correspondent] Quite possible. Who else could withstand loads of around three g's?

[Donald Duck-type voice] What does that mean?

[Correspondent] I have no idea, but I was told that it is very steep.

[Donald Duck-type voice] And the instruments? [as heard]

[Correspondent] Six. [as heard]

[Donald Duck-type voice] What six? [as heard]

[Correspondent] What instruments? [as heard]

Border Guards To Take Over Khabarovsk Pacific Fleet

LD0305184794 Moscow INTERFAX in English 1607 GMT 3 May 94

[Text] The Khabarovsk-based brigade of Pacific Fleet river ships will not be reduced. Interfax was told that it would be taken over by border guards.

Defense Ministry, Military Trade Union Cooperate

MK0405074094 Moscow SEGODNYA in Russian 5 May 94 p 2

[Andrey Nikolayev report under the "Admission" rubric: "Defense Ministry Will Approve Norms of Morals. Pavel Grachev Officially Recognizes Military Trade Union"]

[Text] Russian Defense Minister Pavel Grachev and Mikhail Kolchev, chairman of the Central Committee of the Independent Trade Union of Servicemen of the Russian Federation [ITUS], have signed an agreement on cooperation "in the name of reaching understanding" on the basis of "respect for differing opinions."

The trade union has been in existence for two years but throughout that time the Defense Ministry had not recognized it, thereby, to all appearances, hindering the inception of a trade union movement in the Armed Forces. The occasion for signing the agreement, according to Vladimir Piskurev, ITUS Central Committee deputy chairman, was provided by "optimal approaches to the resolution of pressing problems elaborated of late in the Army and the Navy." Thanks to these approaches the Defense Ministry and the trade union have signed an agreement under which both sides undertake to conduct joint work to form the Russian Federation Armed Forces on a professional basis. They have agreed to jointly solve questions connected with social adaptation of citizens discharged from military service, and with the construction of housing and training people in civilian specialties. Joint work of the Defense Ministry and the ITUS has been envisioned as opening new enterprises based on those being converted to civilian uses, and the creation of insurance guarantees and pensions for servicemen.

The sides have undertaken not to let the Army and the Navy be involved in political gambles, not to let sink the level of defense capability and social protection for servicemen and citizens discharged into the reserves or into retirement, nor for their family members. The ITUS and the Defense Ministry have agreed to jointly "revive the glorious traditions of patronage links between military and work collectives, to spread the spiritual traditions of the Russian Army and Navy," as well as to uphold "the norms of moral behavior of servicemen in public life."

Missile Scientists To Minimize Environmental Damage

LD0405105294 Moscow Ostankino Television First Channel Network in Russian 0500 GMT 4 May 94

[From the "Novosti" newscast]

[Text] Public opinion believes that to rocket and space technology have almost incredible power to do harm, though its harmful effect on the environment is far smaller than that of some chemical recovery carbonization combines or integrated pulp and paper mills. Besides, Russian rockets do not destroy the ozone layer, unlike U.S. and French ones, which use powder-fuelled booster rockets. But the military-space forces are trying to minimize even this small risk.

[Begin A. Kuzin, doctor of technological sciences, recording] We have raised the question of incorporating an ecological element in every launch of booster rockets. This element will include searching for and collecting metallic fragments and utilizing them, as well as carrying out restorative work in restricted areas. [end recording]

[Correspondent Galkin] There will soon be nowhere in our country where someone wishing to sow or let cattle graze need fear a piece of rocket falling on his head or poisonous fuel pouring down on him. One can say that these problems have already been solved. The military ecologists are turning their gaze toward the next millennium, when space around the Earth will have to be cleared of space flight debris.

[Begin Kuzin recording] These might be exotic methods using high-energy lasers to disperse relatively small pieces of space flight debris. These might also be minesweeper type facilities in space to gather large fragments and bring them back to land. [end recording]

[Galkin] So there is every reason to believe that earth-dwellers can avoid a global ecological disaster, at least according to these sources. [video shows rockets being launched, spacecraft in flight, a docked rocket, radar dishes]

Federal Assembly

Duma Decrees Examination of St Petersburg Election

PM0305095194 Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 94 First Edition p 4

[Russian Federation Federal Assembly State Duma decree No. 99-1, signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma, and dated 22 April 1994: "On Elections to the St. Petersburg City Assembly"]

[Text] Expressing concern over the results of the elections to the St. Petersburg City Assembly, which did not

lead to the election of the aforesaid organ of representative power, and also over the violations of citizens' electoral rights, and taking into consideration the Russian Federation Federal Assembly State Duma Address on Ensuring the Electoral Rights of Citizens During Elections to the Legislative (Representative) Organs of State Power of Components of the Russian Federation and Organs of Local Self-Government dated 25 February 1994, the Russian Federation Federal Assembly State Duma decrees:

1. To instruct the Russian Federation Prosecutor's Office and the Russian Federation Central Electoral Commission to examine the question of compliance with legislation and implementation of court decisions by the mayor of the city of St. Petersburg during the elections to the St. Petersburg City Assembly in March 1994.

2. On the basis of the results of the examination of the aforesaid question, to instruct the Russian Federation president to adopt the necessary measures in respect of officials of the city of St. Petersburg.

[signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[dated] Moscow, 22 April 1994

No. 99-1

Duma To Ratify Convention on Black Sea Cooperation

LD0405101494 Moscow ITAR-TASS in English 0953 GMT 4 May 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow May 4 TASS—"The Russian State Duma regards the ratification of the convention on Black Sea regional cooperation in the sphere of culture, education, science, and information as a task of primary state importance," vice-speaker of the lower chamber of the Russian parliament Valentin Kovalev said here today, opening the second meeting of the committee for culture, education and social activities of the parliamentary assembly on Black Sea economic cooperation. As earlier reported, the committee's first meeting was held in Istanbul last November. It decided to include the question of the convention's ratification in the agenda of its second meeting.

Kovalev said that Russia was already taking concrete steps to implement the provisions of this document. A special organisation—the Russian centre for cultural relations with countries of the Black Sea region—has already been set up. A festival of arts of the Black Sea basin countries will be held in Sochi this October. Eleven of these countries, including Russia, are members of the parliamentary assembly on the Black Sea economic cooperation.

Duma Committees Discuss 2 State of Emergency Laws

MK0405095094 Moscow KOMMERSANT-DAILY in Russian 4 May 94 p 2

[Olga Garbuzova report: "Amendments to State of Emergency Law. Deputies Hasten To Take President Under Control"]

[Text] Further work on the draft law "On the State of Emergency" started yesterday in two State Duma committees—on security and on legislation. The final version of the draft law should be ready and put before the lower chamber of parliament before 15 May.

At the moment, there are two variants of the law "On the State of Emergency." Distinctions between the two (the first one was proposed by Deputy Viktor Mironov and dubbed the "Internal Affairs Ministry variant;" the second one is known as the "committees' variant) are not so great, neither do they differ much from the RSFSR law "On the State of Emergency" signed by Boris Yeltsin on 17 May 1991. There is, however, one important distinction, but it is provided for in the Russian Constitution: Whereas in the past a state of emergency could be imposed both by an edict of the president of Russia (with consent from the Supreme Soviet) and by an edict of the Supreme Soviet presidium (with an immediate notification of the president), now, in line with the Constitution, a state of emergency shall be imposed only by the president's edict. This edict shall subsequently be approved by the Federation Council.

The "Internal Affairs Ministry variant" defines in more clear terms the forces and means brought into play to make a state of emergency hold. First and foremost these are territorial internal affairs organs and armed forces stationed on that territory. It is also supposed that the Ministry of Internal Affairs and the Federal Counterintelligence Service shall, on the president's decision, be in charge of bringing in additional forces without having to agree this with the federation components' organs of power. Army units from other regions can be introduced in exceptional cases and on the president's decision alone.

In the parliamentary committees they are more worried over how to monitor the observance of laws during a state of emergency. Article 37 of the draft law says that the Federation Council and the commission to be formed by it shall, throughout the period the state of emergency is in effect, monitor the observance of laws and conduct inspections of corresponding territories.

As regards the circumstances and the list of measures to be applied under a state of emergency, they are virtually the same as in the 1991 law. The grounds for imposing a state of emergency are divided into two groups. The first includes attempts to change the constitutional system,

mass disturbances accompanied by violence, and interethnic conflicts. The second one includes natural disasters, epidemics, and major accidents. Like in the previous law, a state of emergency cannot be in effect for more than 30 days if it is imposed over the entire territory of Russia, and more than 60 days if imposed over part of the country's territory.

There are no serious differences in the drafts. Why such a hurry to pass the new law? Members of the committees must fear that now that the former law is only partially effective, there may arise a situation where a state of emergency is imposed without sufficient legal grounds and parliament would be able neither to prevent its imposition nor exercise control over the observance of law on the territory affected by the state of emergency.

Regional Affairs

Moscow Authorities Crack Down on Street Trading

PM0405091594 Moscow IZVESTIYA in Russian 4 May 94 p 2

[Rustam Arifdzhanov report: "Moscow Trader Leaves the Street"]

[Text] By means of the Moscow government's decree "On Additional Measures To Regulate Free (Street) Trading and Organize Flea Markets in Moscow" the capital's authorities are ending their love affair with garish market conditions and making the switch to regulation and administrative control, which are so customary and comprehensible to city officialdom.

Street traders, who have become a kind of symbol of the new times and new mores, are being driven from their trading pitches selected over the past few years. The strict decree prescribes the complete cessation of any unorganized trading from hand to hand and from stands, carts, or vehicles. Mindful of the fact that a similar merciless decree was also adopted by the city leadership of St. Petersburg last month, it is possible to speak of the end of the mass venture into the trading business by the working masses and pensioners. Grandmothers with packets of cigarette, loaves of bread, and mayonnaise are ending their labor exploit and returning to their grandchildren, to benches outside their entrances, and to [live on] their wretched pensions.

It is possible to understand the authorities. They are pretty fed up with being accused of turning the squares and streets entrusted to them into speculators' "bazaars" which do little to embellish the city. At the same time unorganized trade has produced no income for the city budgets. On the other hand, there has been an easing of pressure from the street market "kings," who have had time to accumulate proper capital, to gain respectability, and to lose interest in the business in which they themselves started.

What is proposed in exchange? Small-scale trade is being driven into commercial kiosks and stalls, a sharp reduction in the numbers of which has, nevertheless, been prescribed. The kiosks that remain will be permitted to trade only in the traditional "Soviet" range of goods—tobacco, nonalcoholic beverages, flowers, souvenirs, newspapers. Industrial commodities and food will be prohibited. An exception has been made only for fruit. So pineapples will stay. But no hazel hens.

Everything else must without fail be shifted in the direction of flea markets. The 70 Moscow municipal markets that already exist will be added to by a further eight this year. There will be free entry to the markets for customers. Anyone who pays will be permitted to trade. Commercial bus routes will be organized for traders. The lease periods for plots of land for flea markets will be increased. Prohibitions cover trade in weapons, military commodities, precious metals, animals, plants, children's goods, currency, and securities.

We will still have to experience some inconveniences. You will no longer be able to buy the commodity you need right next to your apartment block. But this can be endured for the sake of cleanliness and order. Things will be appreciably worse only for the grandmothers, but they, who have not yet forgotten Soviet reality, cannot get into the habit.

Chechen Leader Blames Moscow for Troubles

PM0405103594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 May 94 p 3

[Article by Sharip Asuyev, Said Bipoyev, and Aleksandr Yevtushenko; date, place of quoted interviews not given: "Chechnya: Entreaties and Guns. What Language Will Moscow and Groznyy Use?"]

[Text] From an interview with Dzhokhar Dudayev:

[Dudayev] Two years ago the Chechen republic acquired its independence. But even now one can say with confidence that my presidency and our state are coming into being in very precarious conditions . Although even in these conditions there is no doubt that the state does exist.

[KOMSOMOLSKAYA PRAVDA] What is your opinion of the activity of law-enforcement bodies? Do you not think that you are to blame for the disorganization there?

[Dudayev] This is a problem not only for us but also throughout the former Union. We have adopted a government program for combating crime during the transitional period.

[KOMSOMOLSKAYA PRAVDA] What about the parliament? Does it or does it not exist?

[Dudayev] The deputies are still meeting. (We would remind you that a few months before the tragic events in Moscow the same kind of crisis blew up in Chechnya when Dudayev used force against the opposition in order

to retain power. Over 50 people died then—editorial note). They are putting all the parliament's previous work on a legal footing.

[KOMSOMOLSKAYA PRAVDA] What mistakes have you made during your rule? What reasons do you have to reproach yourself?

[Dudayev] We are a nation today. And the people who trust in me—around 80 percent of the population support me—are convincing evidence that I have not committed flagrant mistakes that they regret. I do not know of a single state that does not want to cooperate with us. So we are pursuing the right policy.

But we cannot agree to the terrorism that is being foisted on us by Russia's leadership. We have given no cause for it, and are not about to. Terrorism is for the weak. We cannot live in isolation, especially from Russia. But that is what is being imposed on us, as it was on Albania and Cuba in the past. They want to create unbearable conditions here so as to arouse people's indignation and cause the overthrow of the "Dudayev regime." There is a 100-percent probability that Russia will try to "have it out" by force with recalcitrant Chechnya. Russia can do nothing else. When has it refrained from resolving national issues by force? That is its downfall. [Dudayev ends]

From an interview with Yaragi Mamodayev, leader of the Chechen opposition and head of the government of people's confidence:

[KOMSOMOLSKAYA PRAVDA] What is your view of the situation in Chechnya today?

[Mamodayev] To put it briefly, it is worse than in other regions of the North Caucasus. There are virtually no state deliveries. Industry—the backbone of the national economy—is coming to a standstill. The petroleum complex is on its last legs. Agriculture has been paralyzed, and most educational establishments have been closed down. The republic's population has been reduced to poverty amid wholesale unemployment. And the few people who are in work have not seen wages for months, just as pensioners have not seen pensions. Moreover there is a terrible crime situation, with robberies and banditry. In a word, there is every sign that we have not a regime, as many people think, but absolute powerlessness and anarchy.

As for Dudayev's regime, there is a Chechen Constitution which he has flagrantly violated. There is also a ruling by our Constitutional Court deeming the president's actions illegal.

[KOMSOMOLSKAYA PRAVDA] What is the reason for your long stay in Moscow?

[Mamodayev] In theory any of us can go to Groznyy when necessary and stay there are long as necessary. We have simply moved away from the republic's internal problems and concentrated our efforts on resolving foreign policy tasks, in other words we are working on the future.

In Moscow it is easier for us to establish contacts with Russian leaders and afford the republic real assistance. At the same time we are following the general course of building an independent Chechen state, which accords with the will of our people.

We realize that the process of acquiring a new state system is a long and complex one. It cannot be accomplished on impulse, by arrogant lunges. It is Russia that plays the key part in recognizing our independence. And we are now seeking ways to stabilize the situation at Caucasus-wide, regional level—which in turn will ease the lot of the Chechen Republic. In order for this to occur it is primarily necessary to secure unequivocal rejection of strong-arm pressure on Chechnya. Dudayev is doing everything to cause bloodshed in the republic—either by provoking civil war or by causing Chechnya to fall out with Russia. You get the impression that Chechnya's present rulers do not understand what they are doing or what kind of violence they are perpetrating against the people. Yet Dudayev is still saying: "I have the support of 80 percent of the population." He could cite a figure of 99 percent just as successfully. It costs him nothing and commits him to nothing. [Mamodayev ends]

From the life of the Chechen republic:

Eight people died and several were wounded in an exchange of fire between two groups in the center of the Chechen capital. The reason for the "shoot-out" was a long-standing financial dispute: One side owed the other a large sum of money. A third force—a group run by one Labazanov, the local "authority"—ended up embroiled in the conflict. Of late it has acted as arbiter in such contentious situations. Labazanov turned up with an armed crew of around 20 people. The "home team" lost four men, the attackers lost two. Labazanov himself was wounded. Immediately after the clash his comrades in arms brought him to the hospital in an ambulance where, after "releasing" all the other patients, they posted a strong guard throughout the premises, including men with machine guns on the roof.

Their fears were unfounded. Labazanov is a well-known figure in Chechnya. His popularity in some circles is rivaled only by the president's. Moreover they are worthy of one another. A former sportsman and boxing master of sport, from the start of the Chechen revolution Labazanov found himself on the barricades. His subsequent activity is shrouded in mystery. Although on paper he and his team rank as presidential structures.

According to reports from Groznyy, there is total confusion among the leaders of the republic's relatively sound farms. The reason being not the economy but crime. A crime wave has swept through rural areas of Chechnya, with agricultural producers being shot and blackmailed and their enterprises being robbed. Gangs masked in

camouflage gear "national guard-style" are rifling through cattle pens, farms, and grain stores. Country people are having to organize self-defense detachments. Sheltering behind national interests, clan thugs are living with the threat of reprisals from non-Chechen leaders. And their recalcitrant patrons are "punished according to the law of the mountains." Thus one night "Sarysuyskiy" Sovkhoz Director Yanali Deniyev was killed with an assault rifle, "Rossiya" Kolkhoz Chairman Iosif Nisanov was shot with a machinegun, and Boris Yerik, chairman of the "Terek" Joint-Stock Company," was carted off somewhere from a team meeting.

Meanwhile Dudayev is once again shuffling the leaders of the power structures: He has sacked the general prosecutor and replaced the internal affairs minister, the head of the criminal police department, the chairman of the Supreme Court....

While policemen chase old ladies through bazaars to combat speculation, the state security service is "watching over" "enemies of the Chechen people" in the opposition; criminal proceedings are being instituted against the boss fighting organized crime, whom the regime considers undesirable. The unknown troublemaker who fired a grenade thrower at the presidential palace was evidently the parting shot here.

Former KGB Officer Arrested in Chechnya

MK0405074594 Moscow KOMMERSANT-DAILY in Russian 4 May 94 p 14

[Mikhail Shapiro report in the "Russian Lieutenant Colonel Arrested in Chechnya" column: "The Chechen Side Considers the Detainee a Saboteur"]

[Text] Yesterday INTERFAX, citing Sultan Geliskhanov, chief of the Chechnya State Security Department, reported that on 29 April department officers detained a Russian lieutenant colonel on the territory of the Chechen Republic. The detainee allegedly admitted his involvement in operations by Russian special services on the territory of the Chechen Republic. No details of the detention are disclosed.

The CHECHEN PRESS AGENCY told KOMMERSANT-DAILY's correspondent that no information about the detention of a Russian lieutenant colonel was filed through their channels, but an agency official noted that "there are plenty of spies in Chechnya." The fact that a former KGB lieutenant colonel was detained on the territory of Chechnya was confirmed by Chechen Republic Press Minister Movladi Udugov, who said that documentary evidence was obtained about the detainee's involvement in organizing terrorist acts in Chechnya. Mr. Udugov, however, refused to provide further details of the case. Russian special services officials also declined to confirm the detention of a Russian lieutenant colonel on the territory of the Chechen Republic.

Oblast Social-Economic Situation Profiled

944F0643A Novosibirsk SOVETSKAYA SIBIR in Russian 28 Apr 94 p 2

[Report by Novosibirsk Oblast Statistical Administration: "On the Socioeconomic Position of Novosibirsk Oblast During the First Quarter of 1994"]

[Text] The socioeconomic situation of the oblast during the first quarter of 1994 is characterized by the following figures:

	January-March 1994 in percentage of January-March 1993
Products of industry	70 *)
Production of consumer goods	66
including:	
Foodstuffs	75
Nonfoodstuffs	61
Wine-liquor items and beer	54
Capital investments from all sources of financing	64
Housing introduced from all sources of financing	15
State procurements from all categories of farms	
—cattle and poultry (in live weight)	67
—milk	68
—eggs	99
Shipments (dispatch) of freight by general purpose transportation	64
Retail commodity turnover	85
Paid services	48
Profit	4.3-fold **)
Average monthly wages	9.4-fold **)
Consolidated consumer price index for goods and services during March ***)	7.6-fold

*) index of physical volume of industrial production calculated for an established set of representative goods **) according to preliminary calculations ***) in percentages of March of last year

Industry

The physical volume of industrial production during the first quarter of 1994 as compared to January-March of last year decreased by 29.6 percent, including in the processing branches—by 29.9 percent, and in the extraction branches it increased by 3.9 percent.

During January-March of this year enterprises reduced output of products by more than one-third in the cities of Babarinsk, Iskitim, Kuybyshev, and Tatarsk, and in Vengerovskiy, Dovolenskiy, Karasukskiy, Kupinskiy, Kolyvanskiy, Moshkovskiy, Ordynskiy, Suzunskiy, Severnyy, Chanovskiy, Chulymskiy, and Chistoozernyy Rayons.

The scale of the reduction of the physical volume of production during January-March of this year differed significantly in the various branches: In ferrous metallurgy—about 65 percent; nonferrous metallurgy, the chemical and petrochemical industry, machine-building, milling-cereal and manufactured concentrated feed industry—from 41 to 48 percent; light industry, the timber, wood processing, and the pulp and paper industry, and the construction materials industry—from 31 to 39 percent; and the food industry—14 percent.

Production decreased as follows:

—in the fuel industry: coal (by 5.1 percent);

-in electric energy engineering: hydroelectric energy (by 11.9 percent);

—ferrous metallurgy: finished rolled metal (80.4 percent), nonrusting sheet steel (57.2 percent), rolled sheet metal (83.8 percent), cold rolled steel belts (74.8 percent), steel (45.8 percent), ferrous metals (80.9 percent), seamless pipes (90.8 percent), and electric welded items (60.4 percent);

—in machine building: metal cutting machine tools (by 37 percent), wood processing (68.9 percent), looms (48.5 percent), large electrical machinery (53.2 percent), electric furnaces (50 percent), tractor seeders (78.2 percent), and concrete mixers (90.1 percent);

—in the chemical industry: flexible polyvinyl chloride (15.7 percent), plasticizers (47.8 percent), synthetic resins and plastics (82.5 percent), and polymer film (62.8 percent);

—in the timber and wood processing industry: shipments of commercial timber (65.8 percent) and lumber (33.2 percent);

—in the construction materials industry: cement (57.6 percent), ceramic sanitation items (45.3 percent), panels for large-panel housing construction (55.4 percent), prefabricated reinforced concrete items (33.3 percent), asbestos cement sheets (91.4 percent), and heating radiators and convectors (49.1 percent).

The actual volume of production during the first quarter of this year increased in the fuel industry (by 9.4 percent) and electric energy (by 7 percent). In the oblast as a whole 57 industrial enterprises provided for an increase in production volumes (17.1 percent of the overall number).

Taking into account the average daily production in March of this year as compared to February of this year there was an increase in the production of coal, hydroelectric energy, electric steel, finished rolled metal, steel pipes, cold rolled steel strips, flexible polyvinyl chloride, prefabricated reinforced concrete items, radiators and convectors for heating, and ceramic items for sanitation.

During January-March of this year there was a considerable reduction of the production of consumer goods—by 33.9 percent, including nonfoodstuffs—by 39.2 percent, which included light industry goods—34.4 percent, foodstuffs—24.5 percent, wine and liquor items and beer—46 percent. The production of individual kinds of foodstuffs is characterized by the following data:

(TONNES)

	Produced during January-March		+, - January-compared to January-March 1993	March 1994 in % of January-March 1993	in % of February 1994 in average daily production
	1994	1993			
1	2	3	4	5	6
Bread and bakery items	47,381	58,634	-11,253	80.8	96.6
Meat, including subproducts category I	12,224	16,665	-4,441	73.4	101.3
Sausage items	5,736	5,395	+341	106.3	114.0
Butter	2,064	3,736	-1,672	55.3	128.8
Mayonnaise	1,021	644	+377	158.5	95.8
Margarine products	2,698	4,156	-1,458	64.9	94.4
Fatty cheeses	1,031	1,485	-454	69.4	106.2
Whole milk products	29,637	36,919	-7,282	80.3	101.6
Nonfat milk products	3,080	5,571	-2,491	55.3	98.2
Canned goods, thousands of standard cans	3,088	4,647	-1,559	66.5	92.8
Cereal	2,541	5,426	-2,885	46.8	88.1
Flour	43,851	78,508	-34,657	55.8	114.7
Macaroni items	5,042	5,595	-553	90.1	108.7
Confectionary items	6,240	9,308	-3,068	67.0	103.7
Nonalcoholic beverages, thousands of decaliters	459	778	-319	59.0	180.9

During January-March of this year the output of prepared cotton fabrics and washing machines increased.

The output of leather, fulled, and felt footwear, electric mixers, tape recorders, television sets, clocks, wallpaper, speakers, and general-purpose notebooks increased by more than one- third. Among the wine and liquor items there was a considerable reduction of the production of vodka and liquor-vodka items (by 57.7 percent) and grape wine (by 59.6 percent).

During the first quarter of this year the production of products for defense purposes in comparable prices decreased by 32.8 percent.

The proportion of military products in the overall volume of oblast production in comparable prices in March of this year amounted to 9 percent.

The decline of the overall output of industrial products at converted enterprises during the three months of this year amounted to 44.4 percent, including defense products—29.5 percent.

During January-March of this year the number of industrial production personnel in the oblast decreased by 12.4 percent, including at converted enterprises—19.1 percent. There was a growth of the number of personnel in electric energy engineering (by 6.9 percent) and nonferrous metallurgy (by 1.2 percent). The greatest reduction was in machine building and metal processing (by 18.8 percent), the medical industry (11.7 percent), and the timber and wood processing industry (11.4 percent).

The reduction of labor productivity amounted to 24.5 percent, including at converted enterprises—31.3 percent.

There was a growth of labor productivity in the fuel industry (by 15.6 percent), the timber and wood processing industry (by 2 percent), and the microbiological industry (by 48.5 percent).

Losses of working time are increasing because of the prolonged shutdowns of enterprises. During March of this year 75 industrial enterprises had production shutdowns and losses of working time amounted to 471,300 man-days or 16.5 percent of the scheduled supply of working time of these enterprises (in March of last year: 31 enterprises lost 70,900 man-days or 4.4 percent of the scheduled working time of these enterprises). Four enterprises fully halted their production for more than one shift and losses amounted to 29,800 man-days (6.3 percent of the overall losses of working time).

The main ones to stand idle were enterprises of machine building and metal processing, the chemical industry, and the construction materials industry.

Enterprises are halting their production because of difficulties with the sale of products, shortage of material resources, and other factors. Because of shutdowns or transition to different work schedules in March of this year 595 workers were discharged from 75 enterprises and 24,742 people were furloughed on the initiative of the administration.

During the first quarter of this year 42 percent of the industrial enterprises were included in the nonstate form of ownership. A large share of the enterprises of the nonstate sector are joint-stock companies (87 percent).

Agriculture

Agricultural commodity producers are preparing the material base for planting.

As of the beginning of April they had made ready 75 percent of the tractors, 73 percent of the trucks, 69 percent of the seeders, 79 percent of the tractor plows, and 73 percent of the cultivators. The rates of repair of all kinds of agricultural equipment are below last year's.

During the past quarter agricultural enterprises have shipped in 44,000 tonnes of diesel fuel and 15,800 tonnes of gasoline, which is less than last year by 33 and 27 percent. The provision of diesel fuel as of the beginning of the second quarter is 38 percent below last year's and gasoline—19 percent.

The situation in animal husbandry on farms with the collective- shared form of ownership continues to grow worse. The number of cattle and hogs has decreased by 10.3 percent as compared to the corresponding period of 1993, including cows—7 percent, sheep—31.6 percent, horses—7.5 percent, and poultry—0.2 percent.

During the first quarter of this year the farms sold for slaughter 29,800 tonnes of cattle and poultry, produced 130,300 tonnes of milk, and obtained 126.3 million eggs. As compared to the corresponding period of 1993 there was a reduction of meat production by 9,400 tonnes (23.8 percent), and milk—40,200 tonnes (23.6 percent); but more eggs were received than last year by 6.3 million or 5.3 percent. The average milk yield per cow as of the beginning of the year was 348 kilograms during January-March as compared to 421 during January-March of last year. In March the milk yield per cow dropped by 29 kilograms and amounted to 144 kilograms. One laying hen produced 54 eggs as compared to 56 during the first quarter of last year.

During the three months the farms obtained 146,600 calves, 109,900 piglets, and 117,900 lambs. The use of the reproduction herd of cattle and sheep improved. Since the beginning of the year 34,800 head of cattle, 29,900 hogs, and 17,700 sheep have died. The maintenance of all kinds of cattle has deteriorated as compared to the corresponding period of last year.

During the three months 22,500 head of livestock and poultry, 80,600 tonnes of milk, and 105.2 million eggs were delivered to state resources. As compared to the same period of last year procurements of cattle and poultry decreased by 33 percent, milk—by 32 percent, and eggs—by 1 percent. Additionally, the farms sold in

the markets, through their own stores, and through public catering 4,800 tonnes of cattle, 4,200 tonnes of milk, and 1.7 million eggs.

Capital Construction

During the first quarter of 1994 R116.9 billion in capital investments were assimilated (64 percent of the amount for January- March 1993), of which R20.8 million came from the republic budget (18 percent of the overall volume of capital investments) and R11.4 billion from local budgets (10 percent).

The greatest proportion of assimilated capital investments was at state and municipal enterprises (65 percent) and joint-stock companies (34 percent).

For construction of facilities for production purposes from all sources of financing R68.2 billion in capital investments was assimilated, including at facilities for producing consumer goods—R1.2 billion or 1.7 percent.

In the oblast as a whole R27.3 billion in capital investments were assimilated in housing construction, the construction of general educational schools—R0.8 billion, preschool institutions—R0.3 billion, hospitals and outpatient polyclinic institutions—R1.0 billion, and clubs and houses of culture—R0.03 billion.

During the first quarter of 1994 the Zatsibselelektrosetstroy Trust put electric power transmission lines with a distance of 8 kilometers into operation.

From all sources of financing R8.6 billion worth of fixed capital was put into operation in the oblast, of which R6.5 billion was at facilities for production purposes.

During the first quarter of 1994, 274 apartments with an overall area of 16,600 square meters were put into operation in the oblast from all sources of financing, which amounted to 15 percent of the level of the corresponding period of last year.

As before, most of the volume of housing construction was carried out by state and municipal enterprises and organizations (65 percent of the overall introduction of housing). Individual builders introduced 1,800 square meters (11 percent) using their own funds or with the help of state credit.

During January-March of this year the following were put into operation: a kindergarten to accommodate 140 by the Pobeda AOZT [private joint-stock company] in the village of Kargapolova in Suzunskiy Rayon, and a club to accommodate 100 by the Sibir AOZT in the settlement of Krasnyy Khutor in Krasnozerskiy Rayon.

All construction organizations on the territory of the oblast during January-March of this year performed R112.1 billion worth of contracting work through their own forces, and the volume dropped by 41 percent as compared to the corresponding period of last year.

The main volume of contracting work (R67.8 billion or 61 percent) was performed by enterprises with a mixed form of ownership, R26.2 billion (23 percent)—by private enterprises, and R18.2 billion (16 percent)—by state and municipal enterprises.

In the structure of contracting work performed, construction and installation work makes up 86 percent. Capital repair and other contracting work accounts for 14 percent of the volume performed.

Contracting organizations performed R6.2 billion worth of work on the construction of the facilities of the agro-industrial complex, which was 6 percent of the overall volume of contracting work.

Transportation and Communications

Under the conditions of the decline of production and the continuing growth of prices the volume of freight shipments by general purpose transportation is continually decreasing. Thus during the first quarter of 1994 the volume of shipments of freight by general purpose transportation decreased by 36.4 percent as compared to the first quarter of 1993, and cargo turnover—by 33.2 percent.

On the Western Siberian Railroad the volume of freight dispatched decreased by 26.3 percent, and the delivery of timber cargo decreased by 59.1 percent, petroleum cargo—by 32.5 percent, and grain and milling products—by 51.9 percent. Cargo turnover decreased by 31.7 percent or 12.6 tonne-kilometers.

A considerable increase in rates for freight shipment because of the sharp increase in fuel prices has led many consumers to refrain from the services of general purpose automotive transportation. As a result, during the first quarter of this year this kind of transportation was used to ship 2.1 million tonnes of freight, which is 47.6 percent less than during the first quarter of last year, and cargo turnover decreased by 46.4 percent. In addition to general purpose automotive transportation, freight was shipped by 64 automotive enterprises of other ministries and departments and they shipped 29.2 million tonnes of freight.

The situation with automotive transportation service for citizens continues to be strained. Passenger departures from airports of civil aviation decreased by 40.2 percent during the first quarter. Some of the passenger flow shifted to the relatively less expensive rail transportation, where passenger transportation increased by 2.9 percent, but passenger turnover decreased by 13.4 percent. Transportation of passengers by automotive transportation increased by 6.3 percent, including general purpose transportation—by 6.9 percent, and passenger turnover—by 1.2 percent and 4.8 percent, respectively.

Revenues of communications enterprises during the first quarter of this year amounted to R10.1 billion, including from the sale of services to the population—R2.1 billion.

Development of Foreign Trade Relations

During the first quarter 32 enterprises and organizations entered the foreign market. They exported R15.4 billion worth of machines, equipment, raw materials, processed materials, and consumer goods and services. Ferrous metallurgy products and items made from them amounted to R1.1 billion (7.1 percent of the overall volume), inorganic chemistry products—4.1 billion (26.6 percent), and tin and items made from it—R2.4 billion (15.6 percent). The main exporters, which made up more than 75 percent of the overall number, are four enterprises: the Khimkontsentratov Joint-Stock Company—2.6 percent (R4.1 billion), the tin combine—20.5 percent (R3.2 billion), the Elsib AOOT [public joint-stock company]—8.8 percent (R1.4 billion), and the Institute of Nuclear Physics—19.5 percent (R3 billion).

Foreign trade turnover through direct production ties and commodity exchange operations amounted to $32.4 million (exports—$19 million and imports—$13.4 million). More than 60 percent was commodity turnover with Germany, Great Britain, China, France, and the United States.

The Consumer Market

The volume of retail commodity turnover of officially registered trade organizations of the oblast during January-March reached R295 billion and increased 6.5-fold as compared to the corresponding period of last year (in actual prices). The physical mass of goods sold was 24.9 percent less. During the report month there was a 0.8-percent increase in the volume of commodity turnover as compared to March of last year.

The proportion of sales of foodstuffs in the overall volume of commodity turnover amounted to 51 percent as against 54.2 percent during the first quarter of 1993.

The commodity turnover of public catering enterprises amounted to R17.6 billion and increased 5.2-fold as compared to the corresponding period of last year (in actual prices). Its proportion in the overall volume of commodity turnover decreased from 7.4 percent to 6 percent.

Enterprises of the nonstate sector in trade and public catering since the beginning of the year have provided for 48.8 percent of the overall volume of commodity turnover. The state sector accounts for 39.5 percent, and consumers' cooperation—11.7 percent.

As of the beginning of April commodity reserves in trade organizations amounted to R117 billion. Their provision, calculated in days of trading, amounted to 40 days (in the first quarter of 1993—50 days).

During January-February of this year as compared to the corresponding period of last year there was an increase in sales of herring, margarine products, cheese, knitwear, hosiery items, leather footwear, and television sets.

There were decreased sales of meat, sausage items, fish, butter and vegetable oil, eggs, sugar, confectionery items, fabrics, sewn items, soap and detergents, and radio receivers.

The volume of paid services during the first quarter of this year amounted to R70.7 billion with an average of R25,200 per resident. As compared to last year it increased 12.9-fold in actual prices.

The volume of consumer services rendered to the population was R6.1 billion. This is 8.6 percent of the overall volume of paid services (during January-March 1993—16.4 percent).

In the sphere of rendering services to the population, nonstate enterprises account for 20.7 percent of the overall volume of services.

Finances

According to figures from the administration of finance and tax policy of the oblast administration, the consolidated oblast budget during January-February 1994 was fulfilled for incomes and expenditures in the amount of R99.7 billion.

The largest proportion of revenues is made up of value added tax—25.2 percent, individual income tax—20.4 percent, and profit tax—19.7 percent.

The basic directions for financing are still sociocultural measures and the development of the economy. In budget expenditures during January-February 1994 expenditures on sociocultural measures make up 58 percent and on the development of the economy—28 percent.

Enterprises and organizations of the oblast (not including agricultural) during January-March 1994, according to preliminary calculations, received profit in a volume of R250 billion. Industry accounts for 88 percent of the profit, construction—8 percent, and transportation—2 percent. As compared to the corresponding period of last year the volume of profit increased 4.3-fold while the prices of industrial products increased 8.6-fold.

The financial position of enterprises and organizations continues to be complicated by the lack of regulation of mutual settlements in the national economy.

The overall creditor indebtedness at enterprises of industry, construction, transportation, and agriculture as of 1 March of this year amounted to R684.6 billion, including defaulted—R266.7 billion or 38.9 percent.

In the overall total of defaulted creditor indebtedness of these branches, defaulted indebtedness to suppliers accounts for R174.1 billion or 65.3 percent, and the budget—R45.2 billion or 17 percent. More than 66 percent of the defaulted indebtedness to suppliers (nonpayments) are to enterprises of industry.

As of 1 March this year all of the accounts receivable amounted to R654.1 billion, of which the defaulted amount was R331 billion or 50.6 percent. Almost 90 percent of the defaulted accounts receivable is defaulted indebtedness for products delivered, work performed, and services rendered (R295.7 billion). Of the overall total of defaulted indebtedness of consumers, R227.5 (76.9 percent) is to industrial enterprises.

The shortage of their own financial resources forces enterprises to use credit and loans. Indebtedness on loans and credit received from banks as of 1 March of this year amounted to R166.7 billion, of which R15.3 billion is defaulted.

The volume of defaulted indebtedness for issuing funds for consumption for enterprises and organizations of industry, construction, and agriculture amounted to R30.7 billion as of 1 April 1994.

Among industrial goods the most significant price increases were for medications—1.8-fold, gasoline and printed publications—1.7- fold, private means of transportation—1.5-fold, and detergents and jewelry items—1.4-fold.

The greatest rate of price increases was found for paid services rendered to the population, which was brought about by the sharp increase in the cost of housing and municipal services. Since the beginning of the year housing services have increased in cost 224- fold, communications—2.3-fold, rail transportation—twofold, automotive transportation—1.6-fold, and services for keeping children and children's preschool institutions—1.6-fold.

The growth of consumer prices was influenced by the higher wholesale prices in industry, which, in turn, was linked to the increase in expenditures on the production of products (higher costs of raw materials, processed materials, energy resources, and fuel).

During the first quarter of this year wholesale prices for food industry products increased 33 percent, including butter—59 percent, wine making products—38 percent, and confectionery items- 27 percent. Light industry products increased in cost by 32 percent during this same period, including footwear—72 percent, cotton fabrics—37 percent, and knitted items—23 percent.

Incomes and Expenditures of the Population

During January-March of this year monetary incomes of the population amounted to R502 billion and increased 6.5-fold as compared to the same period of 1993.

During March of this year nominal monetary incomes totalled R190 billion. As compared to February they increased 10 percent, and compared to March 1993—6.1-fold. At the same time the real disposable monetary incomes (income minus mandatory payments and contributions adjusted to the price index), which reflect the dynamics of the buying power of the current monetary incomes, decreased in March 1994 as compared to the preceding month by 0.4 percent, and as compared to March 1993—by 24 percent.

With the increase in prices there is also an increase in the amount of the subsistence level which, according to methods approved by the Ministry of Labor of Russia, as of 1 April 1994 amounted to R55,220 on average per capita.

The average monthly wages of workers during January-March of this year amounted to R130,000 and increased 9.4-fold as compared to the corresponding period of last year.

Monetary expenditures of the population during January-March 1994 amounted to R528 billion (8.2 times more than during January-March 1993), including for the purchase of goods and paid services—R363 billion (6.8-fold).

Public Health

During January-March of this year there was an increase in the number of registered infectious and parasitic diseases as compared to the corresponding period of 1993, the number of reported cases of diphtheria increased 10-fold, German measles—7.4-fold, salmonella infections—twofold, and influenza—1.8-fold.

There was a certain decrease in the number of reported cases of colitis, enteritis, gastroenteritis, and food poisoning with established etiology (from 342 to 293), critical intestinal infections caused by unestablished infectious agents (from 1,782 to 1,553), chicken pox (from 4,636 to 4,036), and viral hepatitis A (from 694 to 542).

The Crime Situation

According to data from the oblast internal affairs administration, during January-March of this year 17,800 crimes were reported, including 700 (4 percent)—against individuals, 2,000 (11.2 percent)—against state and public property, and 12,500 (70 percent)—against private and personal property. Criminal charges were brought against 7,600 individuals.

Privatization

Since the beginning of privatization 1,460 packages of documents have been filled out for enterprises of all branches, and 1,284 enterprises have been fully privatized, including 142 in 1994.

Most of the privatized enterprises (59.3 percent) are municipally owned enterprises, 23.5 percent—federally owned, and 17.2 percent—oblast-owned enterprises. During 1994 these figures were 27.5 percent, 42.9 percent, and 29.5 percent, respectively.

On the territory of the oblast 419 joint-stock companies have been created, including 233 on the basis of federally

owned enterprises. At commercial competitions 524 enterprises have been sold and 287 enterprises have purchased leased property.

A total of R14.8 billion has been obtained from privatization, R2 billion of which in 1994.

Earnings from privatization of municipally owned facilities amounted to R7.4 billion (50.7 percent of the total received), and oblast-owned—R1.6 billion.

Name-bearing privatization checks were used to obtain R6.5 billion worth, including R1 billion in 1994.

Of the monies received from privatization, R7.9 billion was transferred into budgets and funds, and R3.5 billion (43.9 percent)—into local budgets.

Since the beginning of privatization in buildings of the state and municipal housing fund, 138,300 apartments have been privatized, including 12,400 in 1994.

As of 1 April this year in the rayon committees for land reform 5,999 peasant (farmer-run) farms have been registered, and they were assigned 344,100 hectares of land. There are 57.4 hectares per one farm. Since 1 January 1992, 603 farms have ceased their activity for various reasons.

Maritime Kray Duty-Free Zone To Attract Investment

PM0305123594 Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 94 p 1

[ITAR-TASS report: "Base for Foreign Capital"]

[Text] The country's first duty-free zone [svobodnaya tamozhennaya zona] is to be set up in Maritime Kray near the Russo-Chinese border.

Unlike ordinary duty-free zones, this zone will be a border territory, where imports can be brought in and stockpiled without payment of duty. Profit from the deal between buyer and seller will go to the local administration budget and to the Customs Administration account. It is also planned to organize processing facilities within the duty-free zone. It is proposed that the customs zone be located on the site of a loss-making enterprise in Ussuriysk city. The zone will make it possible for Maritime Kray to become a major staging post for foreign capital on Russia's Pacific seaboard.

Maritime Kray Governor Affirms Moscow Link

PM0305115594 Moscow TRUD in Russian 29 Apr 94 p 2

[Interview with Maritime Kray Administration Head Yevgeniy Nazdratenko by Nina Rostarchuk: date and place not stated: "The Road to Russia Runs Through Maritime Kray"]

[Text] The Kray Soviet session was prepared to examine two questions: one, to confirm the head of the Kray Administration, and two, to establish a separate republic in Maritime Kray.

Yevgeniy Ivanovich Nazdratenko heard out the first question as a guest. But nowadays he gets up onto the platform as governor of that huge and "remote region, which is nevertheless our own" and proposes removing the question of a "separate" republic from the agenda. Now, and forever more!

Yevgeniy Ivanovich Nazdratenko begins our conversation in an unexpectedly abrupt manner.

[Nazdratenko] I am categorically against splintering Russia into tiny principalities. And you know, I am not a stray "commie." It is painful to stand by and watch as people pilfer Russia bit by bit, instead of living in a united country, a single economic area, under one authority and one president. The idea of sovereignties may well be high-minded, tempting, and sweet, but there is nothing behind it once you begin to consider not your own ambitions but the people who have entrusted you with power.

So what exactly is today's Maritime Kray? Is it Russia's eastern gate, its outpost on the Pacific coast, as it is commonly described? No, it is first and foremost an enormous territory lorded over for many long years by government departments; and now we are being forced to disentangle the results of their specific style of management.

The first of these results is plain for all to see: in our region, a loaf of bread costs 1,000 rubles [R]. The average wage in the kray is R80,000. Don't look so surprised: Living standards in the Far East have always been lower than the average for the country. And now we are divided by a veritable abyss. The same loaf of bread costs R100 in Altay. Because they have their own grain there, whereas our environmental conditions are completely different. We have to import everything. As long as we have to import, for instance, grain, it is becoming so expensive that, but for subsidies, a loaf of bread would cost around R7,000 in the stores.

This is the most serious question which we are trying to resolve today. I can see how this can be done, but I hear warnings from all sides: Whatever you do, do not get it into your head to buy grain abroad! By doing that you will destroy national grain producers!

I agree that it is essential to support our own producers. And when we were getting grain for R250,000 a tonne, we did just that. But "our boys" do not think about us! Railroad companies are again increasing charges for freight shipment, and the price of a tonne of grain has soared right up to R400,000!

So it was that we decided to construct a terminal at one of the ports and take delivery of Canadian hard wheat—6 million tonnes per year. Right away we were able to

breathe more easily, because the imported wheat is a quarter of the cost. Moreover it is better quality than ours. The scraps from the grain milling industry can be used to make mixed feed to support livestock in the region. We have to survive. Unfortunately, the interests of the state are often at odds with the interests of the region.

[Rostarchuk] Maritime Kray has sufficient nuclear reserves to last 20-25 years. Five-meter high thickets of rushes are growing in waste water tanks. What does this indicate? Abnormal radiation levels, and a polluted environment. There are villages along the coast where it is no longer possible to live. For humanitarian reasons alone, people have to be removed from there and given a chance to settle elsewhere. But where? Where is that coveted paradise where people can expect work and lodgings? There is no such place in Maritime Kray.

[Nazdratenko] And it is in precisely this horrific ecological situation that people are starting to talk about a nuclear power station. I want none of it! Every fiber of my being opposes it. On the other hand, how can we extricate ourselves from the power crisis which erupted this winter across the entire Far East? In Magadan Oblast an entire city was iced up. We saw that tragedy with our own eyes: The Far East Shipping Company had to evacuate the inhabitants. We ourselves missed the worst of it, thank God, although we came close to the brink. Everything went into providing heat—all budget funds went into this. Coal was brought into the region at any cost. Its price hit R115,000 a tonne. Just imagine how much went up in smoke, in the literal sense of the word: We burned money. Money which should have gone to the people, in the form of wages or to develop the budget-financed sphere.

In order to resolve the question of power supplies in Maritime Kray, it is essential to complete the construction of the Ussuriysk TETs [heat and electric power station]. To feed it we will expand the Rettikhovka, Pavlovka, and Luchegorsk coalfields. But it will take 20 years to do all the work. Of course, it will be completely impossible to manage without state help. And it is not very nice, believe me, to have to go cap in hand to somebody. But you know, we are only trying to "finagle" what is Maritime Kray's due. The abundance of energy generated by the Siberian GES [hydroelectric power station] cascade—built, incidentally, by the whole country—should cost R9 per kilowatt-hour. But they take R230 from Kamchatka. And a little less from Sakhalin—R170. We have long tried to draw the government's attention to this problem, and at last we have forged a decree on stabilizing the kray economy. We now pay R40 per kilowatt-hour.... But this is not the solution. I believe that average rates for the whole of the Russian Federation territory should be adopted.

[Rostarchuk] Yevgeniy Ivanovich, there is a nuance here.... Is it really the case that your ports process cargoes for Maritime Kray as such? No, these are cargoes for the whole of Russia. Maritime Kray comprises the major warehouse center for all Russia's regions. Is that not so? Some people are suggesting that you exploit the fact by levying a quit rent on anybody who uses your "gateway" and your land and use it to top up the local budget.

[Nazdratenko] But they must understand how this "local initiative" will turn out for other regions! In my view, it is better to impose order through civilized methods. And such methods do exist. Only, it is essential for the "upper echelons" to understand that the Far East has its own specifics and that what suits others does not necessarily suit it. You have to cross 12,000 km by rail to reach us, and this landscape is by no means the same type of landscape as that between Moscow and Ryazan.

It is vital to realize that, when airlines inflate ticket prices to R400,000 one-way, they are cutting Maritime Kray off from Russia. You try flying west to see your relatives or sending an expert there on a business trip! An intercity telephone link is an unthinkable luxury even for an enterprise, never mind an elderly grandmother stranded in Maritime Kray with no relatives!

All these things seem minor, but it is these things which shape an individual's life, and they affect his mood and his well-being. My fellow countrymen are feeling increasingly alienated from the main part of Russia, and that was not the case before.

But when I start talking about uniform rates for electricity, about preferential prices for air tickets and freight carriage, people instantly begin suspecting me of anti-market inclinations. But you know, many people are aware that at the end of the 1980's I fought for flotation, I was one of the first to set up an enterprise with a non-state form of ownership—a mining enterprise in Dalnegorsk. I am not against reform. But who needs to float a "dead" industry? If subscribing for shares entails a 30- or 40-percent cut in the workforce, and people in that particular one-horse village or city have nowhere else to work, then, tell me, why bother floating it?

[Rostarchuk] Obviously, the heart of an industrialist still beats within you, and you are looking at Maritime Kray as a huge economic structure....

[Nazdratenko] Of course, I am concerned about production and I am trying in every possible way to maintain it....

The Law on Bankruptcy is completely incomprehensible to me. Take the "Zvezda" Plant—a candidate for "mothballing".... The aviation plant in Arsenyev is barely breathing. They work for the Ministry of Defense; they fulfill its orders. But nobody is in any hurry to cover their production costs or the pay for people's labor. The same picture can be found at many enterprises. They operate at a loss purely because they are owed enormous sums of money. So pay them! Then they in turn can pay all their taxes, settle outstanding debts for electricity, and everything will take its course.

The only way out of all this turmoil of ours is authority within the country. It is wrong to expect the economy itself to "impose order"; production units are grinding to a halt one after the other.

I make no secret of my liking for Chernomyrdin, as it seems to me that he is the only person capable of leading the government now. There is no point in our being afraid of a regulated economy. It may well be worth fixing prices for energy sources, at any rate. This is not a return to old ways, but a necessity of the transition period.

[Rostarchuk] Nevertheless, Maritime Kray is unlikely to sit back and wait for charity from Moscow....

[Nazdratenko] ...and "scramble out of the mess" ourselves? Right. We have started to work out a concept for the status and the development of the Maritime Kray. I am sure that this will be a "practicable" document. Experts from the Far East Department of the Russian Academy of Sciences are working on it. Whatever we devise, this is how we will live. The buck will not be passed to anybody else—were we to embark on the wrong road, that is. Our region has many problems in common with Kamchatka, Magadan Oblast, Sakhalin, Khabarovsk. The Russian czar knew what he was doing when he unified these territories. And we have to unite. We must integrate, otherwise we will "end our days" having sold off our resources for a song just to put food on our tables.

[Rostarchuk] But is it really such a bad thing that foreign investments are now actively heading for the Far East?

[Nazdratenko] Not at all! I am very much in favor of developing cooperation. Nevertheless I prefer to do this on a legal basis, and the juridical side of this matter has still to be elaborated even now....

In this sense we have a lot of work to do and we have a lot of potential. For all that, it seems to me that what is important now is that we turn not so much toward the east as toward the west. We yearn for Moscow, and we yearn to share the life of our country. And the fact that 76 percent of Maritime Kray inhabitants voted for the Russian Constitution proves that they are putting up with the current problems patiently, remaining loyal to their country and hoping that things will change for the better.

International Affairs

Ambassador Discusses U.S. Economic Aid, Trade

WS0305105394 Kiev Ukrayinske Radio First Program Network in Ukrainian 1900 GMT 2 May 94

[Text] Oleh Bilous, Ukrainian ambassador to the United States, has met with Nicholas (Bergs), U.S. National Security Council director. During their conversation, the officials concentrated on the implementation of economic agreements reached during the official visit of Ukrainian President Leonid Kravchuk in the United States in March of this year. In particular, they talked about the next visit of the U.S. [word indistinct] economic delegation to Kiev. Nicholas (Bergs) briefed the Ukrainian ambassador on plans and the agenda of the American delegation in Kiev. During the negotiations in Kiev, it is expected that problems will be discussed at the highest level related to the progress of economic reforms in Ukraine and U.S. aid intended to solve those problems. The Ukrainian and American officials will consider and try to agree upon specific terms and forms for extending financial and economic aid to Ukraine to implement concrete economic projects as part of the development of the market economy. Major emphasis at the next negotiations in Kiev will be put on issues related to intensifying trade between both countries and acceleration of U.S. investments into Ukrainian economy.

Conference Discusses Factors Causing Conflicts

AU0305115794 Kiev HOLOS UKRAYINY in Ukrainian 29 Apr 94 p 5

[Interview with Dmytro Vydrin, director of the International Global and Regional Security Institute (IGRSI), by Volodymyr Skachko; place and date not given: "It is Better To Do This 'Before' Than 'After'"]

[Text] At the end of last week, an international conference "Interregional Conflicts in the Post-Totalitarian World" was held near Kiev. Specialists from various Ukrainian scientific and state structures and from research institutions of NATO, Russia, Moldova, Great Britain, the United States, and Italy participated in it.

Ukraine was represented by one of the organizers of the conference—the IGRSI. Its director Dmytro Vydrin comments upon the course and results of the conference.

[Vydrin] It was one of Ukraine's first conferences on "conflictology." We are pleased that we managed to hold it, as it seems to me, there is one major shortcoming in Ukraine, namely, its introvert political mentality: Almost all political problems that Ukraine deals with, directly concern Ukraine alone. From the viewpoint of common sense and pragmatism, this might seem normal. However, we profess a different idea: We believe that a state may only become a normal one if it shows interest in problems that go beyond its geographical borders. That is why it was, perhaps, the very first conference where Ukrainian specialists analyzed not only internal problems, but also those of the Dniester Region and of the "hot spots," such as those in Belfast, Abkhazia, Nagorno-Karabakh, and so on. As a matter of fact, our task consisted of reviewing all such spots in order to determine whether, today, mechanisms exist that are capable of helping in the resolution of such conflicts. God forbid the need to use this experience in Ukraine. We hope that Ukraine will avoid this danger, but if, to our greatest pity, we fail in this, we would not like to be "naked" both intellectually and psychologically when confronted by it.

[Skachko] Was there a specific result of the conference?

[Vydrin] As is normal for initial conferences, it took us half of the time to unify the terminology and to begin to understand one another. Then we tried specifically, for example, to determine the limit of resorting to military force in conflicts and the limit of using peacekeeping forces and actions, as well as their possibilities and limitations. For the time being, we have just addressed this theme. At the next conference, we will get closer to elaborating specific recipes and recommendations, which we will be able to offer to politicians.

[Skachko] Did the conference result in comprehending the fact that interregional conflicts are perfectly possible in Ukraine?

[Vydrin] Our scientific community became divided into "pessimists" and "optimists." I belong to such "optimists" and believe that, unfortunately, conflicts are virtually unavoidable, although our colleagues, in particular, the British ones, believe that it is quite easy to avoid conflicts in Ukraine. However, I am convinced that it is hardly possible to outsmart history, which teaches us that fragments of empires become arenas for conflicts. There have been almost no exceptions in history....

[Skachko] Isn't the situation in the Crimea and in the Donetsk-Luhansk Region the reason for your optimism in inverted commas?

[Vydrin] Yes, we gave much of our time to discussing the situation in those regions and, unfortunately, discussed it in the context of situations analogous to those in the Dniester Region and in Karabakh. Unfortunately, for us, the Crimea is a potential Dniester Region or Karabakh. We gather in advance in order to prevent it from becoming an actual situation.

[Skachko] D. Vydrin also added to this that the IGRSI plans to hold such conferences twice a year, and this week, the conference on "Interethnic Conflicts in the Post-Totalitarian World" was in progress in Kiev. The subject matters are related, because not infrequently, interethnic strife becomes that same internal factor that generates interregional conflicts and even wars. It is, indeed, better to prevent conflicts than to resolve them.

Kravchuk, French Envoy Discuss Regional Security

WS0305150694 Kiev Ukrayinske Radio First Program Network in Ukrainian 1400 GMT 3 May 94

[Text] Ukrainian President Leonid Kravchuk has received Alain Lamassoure, French minister delegate for European affairs. The officials held a conversation that raised a number of important issues related to the further development of Ukrainian-French cooperation. For Ukraine, the president emphasized, relations with European states, (?including) France, are very important. This is why Ukraine appreciates so much France's attitude toward the trilateral declaration signed by our state [words indistinct]. We also appreciate efforts by France, and its president, Francois Mitterrand, to help Ukraine destroy nuclear weapons as well as develop its nuclear power engineering system and liquidate the consequences of the Chernobyl nuclear power plant accident.

Following the meeting with the president, most of which was held without media representatives, the guest answered questions from journalists. In particular, he emphasized that in his opinion, there are no differences between the French and Ukrainian points of view on the danger of instability on our continent. We, Alain Lamassoure declared, are for a Europe serving as the center of peace, stability, and prosperity so that relations among states are based on equality, democratic principles, and friendship, and so that there are no blocs forming on European territory. France itself, the guest continued, came up with an initiative to hold a conference on problems of stability and security in Europe, at which representatives of those countries could discuss these problems. [Words indistinct] confirmation of Leonid Kravchuk that your country will participate in this conference and work there constructively. The meeting was attended by Michel Peissik, French ambassador extraordinary and plenipotentiary to Ukraine.

Kravchuk Stresses Relations With France

LD0305141794 Moscow INTERFAX in English 1259 GMT 3 May 94

[Text] Ukrainian President Leonid Kravchuk said at a meeting with Alain Lamassoure, the French minister in charge of European affairs, that Ukraine highly appreciated the change of the Western attitude towards Ukraine following the signing of a trilateral agreeent on nuclear weapons in Moscow. Kravchuk emphasized the importance of relations with France for Ukraine.

He said that Ukraine was thankful to France for aid in elimination of nuclear weapons and improving the safety standards of nuclear power stations.

Lamassoure told journalists after the meeting that Kravchuk had confirmed that Ukraine would attend the Conference on Security and Cooperation in Europe that would be held shortly on France's initiative.

Lamassoure said that France opposed the setting up of new military blocs in Europe and intended to build its relatons with new countries of Europe on the basis of democratic principles.

Ukrainian-French agreements on air traffic and on mutual encouragement of investments were signed by Lamassoure and his Ukrainian counterpart Anatoliy Zlenko in Kiev on May 3.

Crimean Party Leaders Sign 'Accord for Revival'

PM0305091194 Moscow TRUD in Russian 30 Apr 94 p 3

[Report by Andrey Zadunov: "Let Number 13 Be Lucky"]

[Text] Republic of Crimea—Thirteen leaders of political parties registered in the Crimea have put their signatures to an "Accord for Revival" declaration which was adopted at a roundtable session.

The parties, which signed this charter stated their readiness for mutual accord and close cooperation with the Crimean Supreme Council, president, and Government in the interests of creating favorable conditions for extricating the Crimea from the political and economic crisis into which it is being thrown.

The declaration contains the idea of building a parliamentary presidential republic. All branches of power in it would be legally equal to each other, a government of national confidence would be formed, and equal participation in governing all the peoples populating the Crimea would be ensured. The document approves the implementation of economic reforms and the transformation of the Crimea into a focus for all CIS countries' economic and cultural interests in conditions of civil peace and accord.

All this should serve to create on Republic of Crimea territory a regime of open economy. The parties are also declaring their intention to make all their actions strictly commensurate with the provisions of the Crimean Constitution and international law.

The party leaders who signed the declaration also called on Presidents L. Kravchuk and Yu. Meshkov not to take ill-considered steps in their mutual relations, which could adversely affect people's futures.

Good Prospects Seen for Japan Ties

LD0305174194 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 3 May 94

[Text] A briefing has been held at Ukraine's Foreign Ministry to sum up the visit to Japan by the ministry's delegation led by Mykola Makarevych, first deputy foreign minister. The principal aim of the visit was to lay a contractual and legal foundation for Ukrainian-Japanese bilateral relations.

It was emphasized at the briefing that Japan is one of our country's most promising partners. The issue of developing bilateral cooperation was discussed at Japan's Foreign Ministry and International Trade and Industry Ministry. It was decided that there should be an exchange of delegations of specialist lawyers to work out documents which would become the basis for relations to be enhanced.

Zlenko Receives French Delegation, Signs Air Agreements

LD0305115794 Kiev UNIAR in Ukrainian 1050 GMT 3 May 94

[Text] Kiev, 3 May [no dateline as received]—Ukrainian Foreign Minister Anatoliy Zlenko has received a French delegation in Kiev on an official visit that is headed by Alain Lamassoure, minister-delegate of European Affairs. The sides expressed the certainty that relations between the two states would reach a new level.

An agreement on air transport was signed, as well as an agreement on the encouragement and mutual protection of investments. A news conference is planned by Lamassoure will concern, in particular, economic cooperation and stability in Europe, problems of power engineering, and safety of nuclear power stations.

'Mideast Connection' in Planned Terrorist Act

LD0305121794 Moscow ITAR-TASS World Service in Russian 1104 GMT 3 May 94

[Report by Sergey Savchenko of CRIME-PRESS-TASS for UKRINFIRM]

[Text] Donetsk, 3 May—Staff of Ukraine's Security Service have carried out in Mariupol a successful operation to seize and unmask a group of foreign citizens who planned to commit an act of international terrorism in Moscow.

It has been established that "it was the direct intention of those detained to commit a terrorist act in an embassy located in the Russian capital," Colonel Dmitriy Chernousenko, deputy head of a department of the Ukrainian Security Service for Donetsk Oblast, stated. No specific targets were named,

It was pointed out at a news conference in Donetsk, however, that the suggestion that the terrorists had a "Mideast connection" is not without foundation. The special services of interested foreign states have been briefed on the operation in Mariupol.

National Affairs

Chernobyl, Nuclear Safety Discussed With G-7 Group

LD0305172094 Kiev UT-1 Television Network in Ukrainian 1600 GMT 3 May 94

[No video available]

[Text] A meeting between representatives of the Ukrainian Government and a delegation from the G-7 countries was held today in the Cabinet of Ministers. The Ukrainian Government group was headed by Deputy Prime Minister Valeriy Shmarov and the delegation from the G-7 countries by Antonio Puri Purini, authorized minister and head of the seventh department's working group on nuclear safety. This meeting was of a consultative nature, dealing mostly with issues of nuclear safety in Ukraine. They discussed cooperation by donor countries of the fund for nuclear safety, the EBRD, and other influential international organizations with Ukraine in technical, economic, and financial aspects. The sides, therefore, expressed readiness for joint action in the area of the safe exploitation of atomic energy and improving the state of the environment.

However, the word Chernobyl was often heard because one of the main conditions for all-round help from the G-7 countries to Ukraine is not only in resolving the problems of nuclear safety but also in strengthening the economy and the gradual closure of the Chernobyl AES [nuclear electric power station] generating sets.

Over $3 Billion Needed To Solve Chernobyl's Problems

LD0305202294 Moscow ITAR-TASS World Service in Russian 1859 GMT 3 May 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 3 May—In order to forego starting up the second generating set at Chernobyl AES [nuclear electric power station] and to halt the station's first and third sets, Ukraine will need over $3 billion. This was stated today in an exclusive interview with ITAR-TASS correspondents by Ukrainian Deputy Prime Minister Valeriy Shmarov after a working meeting behind closed doors between a G-7 delegation and members of the Ukrainian Government.

He announced that at least $1 billion would be required merely to rebuild the protective covering of the fourth generating set. A further $1.2 billion would be needed to complete the building of new reactors so as to have room to maneuver in the energy field. Slightly more than 1 billion would be required for staff training, for conversion measures, and also for maintaining the Chernobyl AES after mothballing. The Ukrainian side insists that the Chernobyl problem should be seen as a single package.

The ITAR-TASS correspondents learned that the G-7 representatives take a different view on a number of the issues under discussion. Specifically, they refuse to give any help in the social area. Tomorrow's meeting will show whether the Ukrainian side is able to talk them round.

Economic Talks Held With U.S. Delegation

LD0305110394 Kiev Radio Ukraine World Service in Ukrainian 1000 GMT 3 May 94

[Text] Talks with the economic delegation from the United States began in Kiev today. As agreed by the sides, they are being conducted in four joint working groups. Their main task is to make more specific the directions and substance of Ukraine's cooperation with the United States and international institutions on the matter of developing a market infrastructure in our country.

Other issues are being discussed too, in particular special-purpose financial assistance to us on the part of the United States and the investment of U.S. private capital in the Ukrainian economy. It was confirmed at today's plenary sitting that the United States is allocating $150 million for three years to support private entrepreneurship in Ukraine.

A proposal to set up a permanent bilateral consultative group was also expressed.

Roman Shpek, minister of the economy, heads the Ukrainian delegation at the talks.

Kravchuk Decree on Reducing Cash Circulation

LD0305163594 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 3 May 94

[Text] Leonid Kravchuk has issued an instruction introducing changes and amendments to the directive on measures to reduce cash circulation. Under the directive, with the aim of normalizing monetary circulation and reducing the rate of monetary emission growth on the territory of Ukraine, all mutual one-off payments for goods, work, services and securities to the value of more than six minimum wages that are effected by corporate bodies, regardless of their forms of ownership and kinds of activity, and by Ukrainian citizens, foreign citizens, and those without citizenship who carry out entrepreneurial activity, are to be solely non-cash. Commercial banks are to provide cash only on condition that there are appropriate grounds, and are to control its use in order to ensure that it is used for the declared purpose.

Party Leader Criticizes Kravchuk on Election Issue

LD0305161994 Kiev UNIAN in Ukrainian 1300 GMT 3 May 94

[Text] Kiev—Oleksandr Moroz, people's deputy and chairman of the political council of the Socialist Party of Ukraine, made public a statement on 3 May, which notes: "Recently the milieu of Ukraine's president and Leonid Kravchuk himself have in their statements and interviews been importunately pressing on the public their opinion about the untimeliness and unconstitutionality of elections to local councils and pre-term elections of a president in June this year. The intention to appeal to the new composition of the Supreme Council on the matter of revoking the resolution on pre-term elections of a president of Ukraine and postponing elections to local councils to a later date is being justified. Predictions with regard to possible anarchy, further confrontation and chaos, and threats to the very existence of the state are being repeated as arguments in favor of this decision. A number of parties have taken this same stand; these are generally of a right-wing orientation and conduct their politics via the presidential structures in oblasts and rayons."

Oleksandr Moroz stated: "The poorly thought-out statements by the president about the supposed absence of a constitution in Ukraine and about the constitutional crisis, about the incompetence of the newly elected composition of Ukraine's Supreme Council, and so on, not only discredit him as a leader of the state, but also actually deepen the political crisis, which he is endeavoring not to allow, according to him."

According to the leader of the Socialist Party of Ukraine, the election of the new composition of Ukraine's Supreme Council by the people is without a doubt the decisive factor in the political process, the democratic development of which requires the speedy formation of new structures of state power in the center and in the localities in order to, first of all, initiate a set of anti-crisis measures in the economy.

Chances of Presidential Candidates Assessed

LD0305160094 Moscow INTERFAX in English 1411 GMT 3 May 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy]

[Text] Former Prime Minister Leonid Kuchma stands the best chance in the presidential race.

According to the Socis-Gallup service, 18 percent of the electorate were prepared to vote for him in March, a significant increase on the 16.6 percent in December 1993.

A poll in all parts of Ukraine in which 1200 people older than 15 were questioned showed that Vyacheslav Chornovil (9.1 percent in March and 10 percent in March) and President Leonid Kravchuk (16.5 and 11 percent, respectively) were also fairly popular figures.

At its latest congress the Popular Rukh decided not to field its own presidential candidate.

Kravchuk agreed to register as a possible candidate. Nikolay Mikhalchenko, his domestic policy aide, told Interfax that Kravchuk had thus shown that he was not afraid of elections.

On the other hand, Mikhalchenko said that Kravchuk would ask the new parliament to postpone the elections which are scheduled for June 26.

As reported earlier, 120 members of the new parliament are prepared to back this proposal.

Kuchma thought that a postponement would be useful for implementing a specific economic reform program but he rejected Kravchuk's argument that the postponement was needed to change the power structure and to have the duties of the new president specified in the Constitution.

Numerous parties and trade unions agree with Kravchuk that a new constitution had to be adopted before the elections. This view is shared, in particular, by the "greens" who called on Kravchuk to put off the presidential and local elections until the end of the year. They say that the presidential race must be resumed following the adoption of a Constitution by a Constitutional Assembly.

Levko Lukyanenko, leader of the Ukraine democratic league, told Interfax that the presidential elections had to be postponed until the end of 1994 or early 1995. He thought that presidential elections had not to be held before a Constitution was adopted which would define whether Ukraine would be a presidential or a parliamentary republic or a cross between them or before the power of the president were defined or legislation on local administration was in place.

Donetsk coalfield trade unions are prepared to negotiate a postponement of the elections with Kravchuk, Igor Dyatlov, who chairs the inter-regional league of strike committees, told Interfax.

Meanwhile, Mikhail Volynets, chairman of the Inter-Regional Union of the Independent Miners' Union, told Interfax-Ukraine that the miners were kept in the dark about the presidential race and showed no interest in it. In his view, of all the presidential nominees Kravchuk alone could run the country. He thought that Kuchma was responsible for the falling living standards of the miners.

Report Views Situation of National Airlines

AU0305144394 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 29 Apr 94 p 1

[Olena Hubina report: "'An-24' Is Now Too Much of a Luxury"]

[Text] Nowadays, we seldom travel by air. One year ago, there was an extreme shortage of fuel. Today, people put it differently: There are no problems related to fuel; there are money-related problems. That is why an air ticket to Moscow costs between 1,200,000 and 1,400,000 karbovantsi.

Despite such a situation, today there are already about 70 aviation companies operating in Ukraine. Some of them have just one plane, others—just two. However, the state-owned "Ukrainian Airlines" company remains, undoubtedly, the largest one.

President of the air company Leonid Pohrebnyak calls it "aviation enterprise." It may be readily realized that, like the overwhelming majority of Ukrainian enterprises, it finds it quite difficult to become integrated into market conditions. For example, today, the company owns quite a sizeable fleet of aircraft—seven "Il-62," 15 "Tu-154," 15 "Tu-134," and 25 "An-24." Even though the technology functions without fail and with great precision, some of the aircraft will only be used until the year 2005. However, this technology is obsolete. Besides, is Ukraine capable, today, of replacing all of its old aircraft with new ones? For example, when flights to the United States were organized, at the U.S. side's demand, our planes were re-equipped with special technology. One such system costs $300,000.

The low fuel efficiency of the aircraft has considerably reduced the amount of air transportations. Today, the fuel price accounts for 70 percent of the ticket price. That is why it is difficult to compete in terms of ticket prices. It is one thing that Ukrainian aviation companies must coordinate prices with the "Ukrainian Airlines." In flights to the United States, Russian and Finnish companies turn out to be competitive.

There also exists yet another problem. The aircraft are mainly repaired in Russia. This means that rubles must be paid. Today, "Ukrainian Airlines" needs 9.6 billion rubles to be able to take back our repaired technology from there.

It is, therefore, perfectly understandable that in present conditions the aircraft largely make charter flights, when the customer pays for the flights. The "Ukrainian Airlines" arranges much fewer regular flights than we would like it to. There are regular flights to Tel Aviv, Athens, Cairo, Istanbul, Prague, Warsaw, Beijing, Delhi, and some other cities. At the same time, the flight to Toronto that was initiated on 23 April is on charter terms—there is a contract for 19 flights. However, regular flights to Canada are being negotiated for 1995.

There are also attempts to compete in terms of the quality of services. People say that, on the flight to Moscow, food is now served and that even wine is on the menu. Other flights abroad are also maintained at a proper level.

In summer, weekly flights to Washington and Chicago will open. Tickets for these flights are on sale.

Ministers Lead Commission Investigating Mine Accident

LD0205165294 Moscow ITAR-TASS World Service in Russian 1620 GMT 2 May 94

[Report by correspondent ITAR-TASS Anatoliy Gordeyev]

[Text] Makeyevka (Donetsk Oblast), 2 May—According to preliminary reports, 12 miners died today at the Sovetskaya mine of the Makeyevugol production association, when a methane explosion occurred during the first shift. The cause of the accident is being investigated.

A government commission headed by Deputy Prime Minister Vasyl Yevtukhov has arrived at the site of the tragedy. Acting Ukrainian Prime Minister Yefim Zvyahilskyy has also arrived in Makeyevka.

Belarus

Trade Minister, French Advisor Praise Union With Russia

WS0405092994 Minsk BELAPAN in Belarusian 1637 GMT 3 May 94

[Text] As BELAPAN learned, Mikhail Marynich, Belarusian deputy minister for external economic relations, received today Jean-Joseph (Boillo), the economic adviser for Central and Eastern Europe at the French Embassy in Prague. During their conversation, both officials discussed issues related to the condition of Belarusian-French trade and prospects for its development. As its positive factor, Mr. (Boillo) pointed to the Belarusian-Russian monetary merger agreement and, among others, the results of the customs union between Russia and Belarus. According to both sides, trade between Belarus and France will only gain by the introduction of common customs tariffs on the Belarusian-Russian border. Mikhail Marynich emphasized that as a result of the customs union with Russia, a range of Western countries will view Belarus as a springboard for entering the Russian market, which, in the opinion of M. Marynich, will serve the Belarusian economy well.

Grodno Workers Adopt Resolution Demanding Stable Economy

WS0205125694 Minsk Radio Minsk Network in Belarusian 1200 GMT 2 May 94

[Text] A resolution issued at a rally of representatives of trade unions and working collectives in the city of Grodno and Grodno Rayon, sounded like a serious warning to the Belarusian Government and Supreme Soviet. Given the exacerbation of the economic crisis, they demand that urgent, practical measures—aimed at stabilizing the national economy and relations in the social sector, ensuring a decrease in retail prices, the liquidation of crime and corruption, and the termination of the illegal redistribution of state property—be undertaken. There are many reasons for this to be done. There is a big gap between the consumer basket and actual wages.

Deputy Warns Against Monetary Merger Pact

WS0305121594 Minsk NARODNAYA GAZETA in Russian 27 Apr 94 pp 1, 2

[Article by People's Deputy Vladimir Novik: "What Is Waiting for Us After Unification of Belarusian and Russian Monetary Systems?"]

[Excerpt] [Passage omitted] Currently, virtually no one in Belarus is arguing with the V. Kebich team on the absurdity of his intentions to implement the so-called unification of monetary systems of Belarus and Russia. This is useless. Even the Constitution, which was adopted by the Supreme Soviet, cannot stop him. A bankrupt, procommunist Belarusian Government, due to its inability to manage an independent state, is making attempts to remain in power by undertaking unusual methods—abolishing the state itself. Comrade Kebich has recently stated that he is being nominated as a candidate for president only because he is taking into account the wishes of those who bet on him. It is not difficult to guess who had bet on him. Most likely, they are the people who are scared of "sorting things out" if new, principally honest people, who are able to pull the Republic out of the crisis, come to power.

When the Belarusian statehood is mentioned, the current Belarusian Government—represented by former bolsheviks-Leninists—has rather a complex of state inferiority than a feeling of national pride and responsibility for the destiny of the governed state. At the same time, the Russian Government is working out its strategy for incorporating a sovereign state without the use of force (for example, through the so-called monetary merger) aimed at further widening this experiment to other CIS states and not only them. In addition, it does not conceal its imperialist intentions to restore the Russian empire and does it professionally and with a great deal of responsibility. However, hardly anyone from the parties, who is interested in this experiment, can predict the developments in these states. At the same time, these developments cannot be so harmless.

At the same time, the adversaries of the so-called money merger—we have to note that there are many of them both in Belarus and Russia—begin to analyze the economic and political consequences of this unification. Let us, esteemed readers, discuss one of the proposed prospects for the development of the economic situation in Belarus over the postunification period, if the unification is really carried out.

Saying nothing about the controversial clauses of the monetary merger agreement, which—it has been repeatedly written and spoken about—contradicts the new Belarusian Constitution, adopted on 15 March, in many details, we can assume that the unification of monetary systems will be implemented on "x-day" and, according to the agreement between the Russian and Belarusian Governments, Belarus will receive a certain sum of Russian rubles in cash and a recalculation of noncash Belarusian rubles to Russian ones on the basis of the agreed course be carried out. As a matter of fact, the money received should be sufficient to provide for a turnover of goods on the domestic market. So, what will happen after the "x-day"?

Most likely, after a certain amount of money is allocated, the flow of goods from other CIS states, first and foremost from Russia, will go to Belarus because Belarusian prices and wages will be higher over a certain period of time. Money from Belarus will flow away, goods will "be eaten away," and the deficit of payment means will grow. Belarus will require a new portion of money to provide for the domestic turnover of goods, and purchases of goods and raw materials in Russia.

To settle old debts and obtain new Russian credits, the Belarusian Government will have to sell for a song or hypothecate a controlling interest in such highly profitable and costly enterprises like "Beltranshaz" (what it has already done), the Belarusian metallurgical factory or the biggest oil and chemistry enterprises which had already attracted the attention of the Russian financial oligarchy and their lobby in the Russian Government circles.

To create economic obstacles, Russia will want to financially isolate Belarus in the so-called ruble zone of a new type. There are many mechanisms for doing this. For example, Russia can complicate the transfer of payments from Belarus to Russia; it can establish a situation whereby Belarusian noncash money has no status and is not recognized by other states, primarily, by CIS partners. This will virtually repeat the 1992 scheme, when the Central Bank of Russia, according to Yeltsin's edict from 21 June 1992 "On Measures To Protect Russian Monetary System," effective 1 July 1992, began to keep accounts with Belarus through a single corresponding account of the Belarusian National Bank and the Central Bank of Russia.

The experience of 1992-93 showed that such measures could bring about a situation whereby Belarusian enterprises will not be able to independently buy raw materials and many essentials for its industry products and resources abroad, first and foremost, in Russia, and will be forced to exchange them for Belarusian products sold abroad on a barter basis for convertible currency or Russian rubles. Due to this, the state budget will suffer greatly and inflation will grow. To service the domestic goods turnover and protect the consumer market, Belarus will be forced to introduce—parallel with the Russian rubles—new, or, maybe, old Belarusian "hares."

Then Russia could "slightly" liberalize its domestic prices and wages and forget to simultaneously satisfy Belarusian needs in cash and noncash money. This, in turn, will exacerbate the problem of a lack of cash and noncash money in the accounts of Belarusian enterprises. In this case, Belarus will have to trade its products to every swindler coming from Russia for cash to be able to pay wages to its workers.

Further, Russia can introduce such effective measures as economic pressure on Belarus, including customs duties, licenses, quotas, and other mechanisms, which will be imposed by Russia without any agreement with Belarus. The main goal of such measures is to enhance economic difficulties, lower the competitiveness of Belarusian goods, primarily on the Russian market with which Belarus is closely connected—and Russia does not want to leave Belarus out of its scope of interests. Of course, all these measures will enhance the economic dependence of Belarus on Russia, in which Russia is strongly interested.

Thereby, this is a vicious cycle. As a result of the so-called unification of monetary systems, Belarus will find itself in complete financial isolation and will be forever connected with Russia. After that, Russian governmental strategists, rich financial corporations, industrial groups and organisms will begin dividing the national wealth of Belarus. This process will be carried out according to the following scheme.

The debts of Belarusian enterprises will be bought by big Russian banks or financial companies which control the deliveries of strategic goods and energy resources to Belarus. The Russian Government, through a specially set up network of economic difficulties (pricing, customs, export and import mechanisms), will set up tough conditions, owing to which all monetary and material resources will be withdrawn from Belarus. To survive, Belarus will make attempts to find foreign creditors but will be refused because virtually all foreign loans will be directed at the repayment of Russian debts and Belarus will not be able to persuade anyone that it will be able to repay its debts. Russia will also block these attempts because it does not need Belarus burdened with huge foreign debts.

After that, Russia will toughly demand that Belarus begin urgently repaying its debts. Since that there will be nothing to pay with, controlling interests of Belarusian enterprises will be handed over to the Russian state or Russian financial corporations.

The issuing of vouchers in Russia will be over by 30 June 1994, and effective 1 July, privatization for money will begin. As for Belarus, the distribution of vouchers will begin only on 1 July 1994. Is this being done by chance or not? In my opinion, this is a well-planned action by the Russian special services which are actively working within the Belarusian Government and the legislature. It is more profitable for Russia to acquire Belarusian enterprises for a song when they are still state property. This will require only Kebich's signature while after privatization they will require the shareholders' consent which will not be easy to obtain.

Thereby, after the unification of Russian and Belarusian monetary systems, Belarus will lose its highly profitable enterprises, its unprofitable enterprises will go bankrupt, and the standard of life of the population will sharply decrease. A complete loss of economic independence will be the consequence of the monetary merger. After this, political annexation will follow. All the Belarusian population will hardly agree to this. A new stage of the fight for the restoration of independence of Belarus will be launched. So, is it necessary to first lose freedom to assess its value later?

The last point. Why is the Belarusian Government so stubbornly pushing Belarus to the so-called monetary merger? There are many speculations on this issue. In my opinion, the key reason is a chance to remove the responsibility for economic collapse and keep power in their hands. They count on the presidential elections because a president will receive unprecedented powers to form executive bodies. It is no accident that Russian

Prime Minister Chernomyrdin was so slow with signing the monetary merger agreement. He waited for the establishment of the date of the presidential elections in Belarus. Presidential elections should be held at the moment when Russian money—acting hypnotically on Belarusian voters—is transferred to the Belarusian economy. Russia requires a puppet president in Belarus who will dance to the Russian tune. Comrade Kebich suits Russia. If Judas betrayed Jesus Christ for silver, Kebich would sell Belarus for banknotes with the Kremlin printed on them. As I have already mentioned, Belarusian voters will sober up soon. But the power will be in the hands of those familiar to us—people for whom personal interests are more important than the interests of their state and people. It is high time that the Belarusian Government stop carrying out its experiments with setting up an independent state without its own currency because this will not lead to anything good.

To whom is the lack of Belarusian money and credit policy profitable? Let us recall how last February the Presidium of the Supreme Soviet exceeded its constitutional powers and issued trillions [currency not specified] in credit line to the agricultural-industrial complex under the Cabinet of Ministers' pressure. The National Bank took this money out of the air and earmarked it to the Cabinet of Ministers. But does anyone control the purposeful use of this uncovered money? If there is no control, this money could be quickly poured into trusted commercial companies. For example, these companies could be issued short-term credit lines from these purposeful funds. These companies could buy convertible currency, sell it immediately after the total fall in the exchange rate of the Belarusian "hare," and profit from the difference of the exchange rate. After that, the issued loan, which is uncovered and devalued, could be granted to the agricultural sector. Do people who deal with this kind of business need a rigid independent money and credit policy? The answer is unequivocal. No! The analysis of the roll-call vote on the issue of the Belarusian money and credit policy in the Belarusian legislature demonstrates that the deputies, who occupy the top positions in the state administration, do not want the order installed in the money and credit sphere. First and foremost, these are Prime Minister V. Kebich, Supreme Soviet Chairman M. Hryb, his deputies, chairmen of oblast executive committees, and their followers.

I would like to address my colleagues in the legislature, who are not indifferent to the destiny of the Belarusian state, to weigh and sort out all the consequences of the so-called monetary Russian-Belarusian merger before ratifying this agreement and introducing changes to the new Constitution. There are many mechanisms, which could provide for financial integration with the CIS on equal terms, without being swallowed by another state. My colleagues from other states-partners and we should look for and introduce these measures in legislative acts. The government should observe the legislative acts, especially that of the Constitution adopted by the Supreme Soviet. Otherwise, it should drop its office.

Kebich Explains Support for Monetary Merger

WS0405073094 Minsk RESPUBLIKA in Russian 27 Apr 94 pp 1, 2

[Article by Belarusian Prime Minister Vyacheslaw Kebich: "To See the Essence"]

[Text] There are events in people's lives that define their destiny and development for many years to come. Thereby, it is no accident that the monetary merger treaty between Belarus and Russia has attracted such attention. The ink on the paper had not yet dried—as they simply put it—when this document became the focal point of many political disputes. Various borderline opinions and statements—varying from complete approval to absolute rejection—appeared. Therefore, I consider it necessary to explain why the Belarusian Government took this step, what is the essence of the document concerning the single ruble zone, what does this agreement provide our economy, people, and the Republic as a whole.

From the Previous History of the Agreement

We all know that after the fall of the USSR, two tendencies prevailed in the development of newly independent states: The first one was a disintegration theory, supporters of which advocated complete disintegration and the second one—the idea of integration.

The government of our Republic always favored the process of integration. I already foresee a question: How can I explain my signing of the Belaya Vezha agreement? Why did I undertake this step? Only because it was necessary to set up a civilized procedure for that process of disintegration, which was widely spreading across a big state. Viskuli initiators cannot be blamed for the fall of the USSR: The key reason for this was Gorbachev's illogical policy, which brought the Union to a state of utter chaos. Because by December 1991—when the Baltic republics and Ukraine declared that they were leaving the USSR and the Russian Supreme Soviet declared the supremacy of its laws over the USSR Constitution—the Soviet Union as a state ceased to exist. Interethnic conflicts were erupting.

Let us now recall the gist of the Belaya Vezha agreement. They advocated the need to set up a joint economic zone, thereby building economic relations "on the basis of the existing tender—the ruble"—pursuing an agreed-upon policy in the budget sector; coordinating activities among customs services; providing for the free flow of transit shipments.

Therefore, it is easy to see—if we compare the Viskuli agreement with the monetary merger pact—that the second document reflects the agreement that had specified the setting up and functioning of the CIS.

We have never opposed and do not oppose the CIS. However, what happened within the CIS over the past two and a half years cannot be called anything other than the stalling of development.

Given this situation, the expediency of setting a close economic union between Belarus and Russia, based on a single monetary system, cannot raise any doubts. By the way, we are not inventing anything. The joint monetary system—as an expression of the highest degree of integration between states—existed within the framework of the former USSR, and our aim is to restore its advantages to our Republic.

Let us discuss the key aspect of this issue—the economy.

Indexes of specific proportions of resources imported to Belarus and of exported Belarusian products show the importance of cooperation with Russia for our Republic. For example, in 1993 (which was not the best year for our economy), of all the oil used in Belarus, we had to import 86 percent; natural gas—100 percent; rolled steel—42 percent. At the same time, of all exports of Belarusian-made goods, Russia bought 51 percent of all trucks, 44.4 percent of all tractors, 42.8 percent of all refrigerators and deep-freezers, and 42.8 percent of all silk.

In other words, our economy, first and foremost, our industry is closely connected with the Russian market for raw materials and products. When these relations broke down due to Russia's increased prices—up to world levels—for energy resources and raw materials exported to Belarus, our Republic immediately suffered "a breakdown."

I can provide you with some figures. Over the first quarter of this year alone, the volume of net national income in Belarus fell by 38 percent in comparison with the same period last year. Due to the failure to sell products because of high prices, on both domestic and foreign markets, warehouses and trading facilities have amassed Belarusian-made industrial products worth some 4.7 trillion rubles. Tens of thousands of large industrial enterprises are faced with the threat of shutting down. The specter of unemployment has begun to haunt thousands of people.

This is the answer to the question: What has happened?

On the Gist of the Agreement

The agreement includes the treaty itself and seven [as published] bilateral documents, which represent its indispensable constituent parts.

The process of unifying the monetary systems will be carried out in two stages. During the first stage, which will begin on 1 May of this year, all tariff and tax restrictions, as well as customs duties on trade will be lifted. It is natural that this applies only to goods produced on the territory of Belarus and Russia. At the same time, customs duties will be imposed on products produced in other countries (currently, a single mechanism regarding their functioning is being drafted).

Nontariff barriers—quoting and licensing which rule out dual taxation—will be retained until the monetary merger is completed, because these quotas—proceeding from the volumes of mutual deliveries between enterprises—have already been set.

The most acute issue in the package of monetary merger documents is the Belarusian National Bank issue. You know that Belarusian National Bank Chairman S. S. Bahdankevich signed this agreement with reservations regarding its clause No. 5, which contradicts some of the paragraphs of the Belarusian Constitution. I can understand him. The documents, which concern every citizen of Belarus, were drafted while one constitution was in force and they were ready and signed after another had gone into effect. I hope that a solution will be found. A formula, enabling us to consider all mutually beneficial interests and on this basis strengthening Belarusian statehood as an equal and esteemed member of the world community, will be found.

I am not a naive man and I understand perfectly well that it is not very ethical and correct to modify the Constitution, which has just been adopted. Therefore, we, having signed the agreement, had set up a basis for future talks. When Supreme Soviet Chairman M. I. Hryb and I were present at the recent CIS summit, we met with Russian President B. N. Yeltsin and found an understanding on his part that it is necessary to formulate clause No. 5 in such a way that could unable us to painlessly resolve the constitution issue.

Many people ask: If separate clauses of the agreement contradicted the new Constitution, why had I signed it? Everything is extremely simple: I signed this agreement for the sake of the remaining nine documents that will come into force on 1 May. For how long can we hold our economy in this crisis? My signature meant that all customs duties will be removed on the fixed date, meaning a reduction of the total cost of products by 30-40 percent.

As a result, production costs will be reduced, Belarusian producers will receive access to traditional Russian markets. Eventually, it will cause a reduction in retail prices and an improvement in the life of our people. These are the motives, the only ones (and not political competitiveness) which dictated my actions.

As for the exchange rate of Belarusian "hares" for Russian cash, which is of especial interest for our citizens, the exchange will be carried out at a 1:1 rate to a maximum of 200,000 Belarusian rubles per individual. Therefore, if, for example, a family consists of five members, then it will be able to exchange "hares" for the sum of 1 million rubles [R]. In addition, individuals who have bank accounts and deposits will be able to exchange their money at the same exchange rate, however, the total will be limited to R1 million. However, together with the increase in retail prices in Russia, the aforementioned maximum sums of money that are subject to exchange at a 1:1 rate will also be increased.

The issue with the exchange rate of savings, which exceed the aforementioned sums, and the revaluation of

balances of accounts, inventories, assets and liabilities of enterprises, organizations, and all legal entities is more complicated. It will be set and drawn up on the basis of the parity of Russian and Belarusian currencies' buying capacity and their market rate against the dollar at the moment of the monetary merger (the current rate is some 1:5).

Who Is Against the Agreement?

I do not want to waste time on debates with those who consider each decision of the government in both states to be "evil," "incorrect," or even "criminal." There are only a few of them; however, they are rowdy and make much noise.

Well, I have to admit that there are serious politicians and economists with their own vision of the issue among the adversaries of this agreement. Well, each person can have his own opinion and we have to respect his right. I am ready to argue with such people and defend my viewpoint.

I could conditionally divide such serious opponents into three categories in line with their positions.

The first group: The so-called "westerners." Their key argument is as follows: We should have concluded agreements not with Russia but with West European states. They have culture, they are civilized, they eat "bread and butter" while our Eastern neighbor has its own problems. It seems beautiful and convincing for many people. However, we should also consider historic traditions, the difference in economic development, the degree of integration of our economies, and the living standard. Besides, reality shows that the only real and prospective source of mineral resources (eventually, this is the key factor of our economy) for Belarus can only be Russia. We could come to Europe as equal partners only with Russia.

The second group is represented by "isolationists." If "westerners" criticize us for the allegedly flawed way of development, these people do not admit the Belarusian-Russian negotiations at all. Hence, their cries about the encroachment on our sovereignty, undermining of the statehood, betrayal of the national interests. Sometimes, the representatives of this trend speak about economic integration, political unions (let us recall the notorious Black-Baltic Seas union), however, they boil over everything. It seems to me that there is no neighbor left to whom they had not issued territorial claims. This is the first issue. Second, how can politicians speak about political integration if they already agreed that "national interests are superior to the interests of a person?" Mankind has already gone down this path and stained it with seas of blood.

The supporters of the so-called "tough" sovereignty, who foresee not only a breakdown of economic relations with Russia but a confrontation with it by issuing demands for leasing payments for the dislocation of Russian troops on Belarusian territory.

What can I say regarding this?

1. It is a well-known fact that Ukrainian attempts to divide the Black Sea Fleet with Russia have not brought about either economic advantages, or political stability.

2. Russian military units stationed on the Belarusian territory, in particular, the antiaircraft protection troops, ensure the security both for Russia and Belarus.

3. Belarus profits directly from this situation because it can reduce its own Armed Forces without harming its national security.

There is one more group of adversaries of the agreement. They are filthy dealers in the currency black market on both sides of our eastern border. They are less noisy and eye-catching but not less dangerous. They use the underdevelopment of our financial infrastructure; they play on the difference in exchange rates and prices for essential foodstuff and consumer goods and to generate substantial income. Who will voluntarily refuse such huge profits? Therefore, these people can go to extremes and hamper efforts to put our house in order, to raise the economy, to introduce civilized economic methods.

An attempt to torpedo and drown the idea of an economic union of two fraternal states will hardly win. Finally, the Belarusian-Russian agreement responds to the core interests of our peoples, and this is the key issue. By the way, according to polls, conducted by a range of sociological agencies in our Republic, including independent ones, more than 65 percent of the Belarusian population support the monetary merger of our two states.

Currently, all, who support the government's policy aimed at setting up a strong, long-term union with Russia, live through hard times. We are experiencing tough pressure from various sides. Nevertheless, we have made our choice. I am ready to bring this issue to an end because I am deeply convinced that only in the union with Russia will we find our salvation, the salvation of our young sovereign state in which, and I am sure of that, our children and grandchildren and all the generations to come will live happily.

Therefore, I am addressing Belarusian citizens: You will be judges in this historic process. Only the people's opinion can be a criterion for the truth.

Kebich's Presidential Bid Reportedly Backed Under Pressure

WS0405092794 Minsk RID in Russian 0730 GMT 4 May 94

[Unattributed report: "Is Brest Oblast the 'Cradle' of Statehood?"]

[Text] At some enterprises in the city of Kobryn, the collection of signatures in support of the main contender for the presidential chair, Vyacheslaw Kebich, is being conducted by management itself. Appropriate directives

have been given to heads of workshops and foremen. Workers have been given a choice: Either to put their signatures supporting the "formidable" candidate or to face difficulties promised by managers. Under conditions of general job reductions, many prefer to avoid problems.

Thus, the Brest Oblast may successfully continue its "good" traditions and become once again the "cradle" of a new head of state, as it was with Slyunkow [secretary of the Communist Party of Soviet Belarus] and Dzemyantsey [former Supreme Soviet speaker].

Poll Shows 12 Percent Pin Hopes on Presidential Elections

WS0305085294 Minsk BELAPAN in Belarusian 1600 GMT 2 May 94

[Unattributed BELAPAN report: "On Some Results of a Poll"]

[Text] A group of sociologists, headed by Academician Babosaw, included a question on presidential elections in a poll that was conducted among the workers of 15 largest industrial enterprises of Belarus. Some 53 percent assured that they will participate in the elections. Around 28 percent considered that the elections of a president authorized with wide powers will have no impact on the improvement of the economic situation in Belarus. Over 10 percent of the industrial workers stated categorically that they will not participate in presidential elections. Only 12 percent of the respondents pin their hopes for improvement of living standards on the presidential elections.

KGB Chief Outlines Primary Goals of Restructured Service

WS0405081394 Minsk Radio Minsk Network in Belarusian 0700 GMT 4 May 94

[Text] The management and personnel of the Belarusian KGB held a conference connected with the decision to alter the KGB's structure and the size of its staff. As KGB Chairman Henadz Lavitski pointed out in a speech, the goal of the reform is to bring the KGB structure in line with the main purpose of the special service and its current demands, as well as to avoid any improper functions. The main trends of Belarusian KGB activities will be conducting intelligence and counterintelligence operations, as well as providing the authorities with information necessary for adopting resolutions at the state level. The KGB will also participate in implementing a state program for combating crime, coordinating its activities with other law enforcement bodies and strictly adhering to its responsibilities and existing legislation.

Kyrgyzstan

Foreign Ministry Statement on Inter-Tajik Talks

LD0305175794 Moscow ITAR-TASS in English 1724 GMT 3 May 94

[By ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek May 3 TASS—An important result of the recent inter-Tajik negotiations is striving of their participants for a political dialogue as the only way to achieve national reconciliation, says a statement of the Kyrgyz Foreign Ministry published here today.

"Kyrgyzstan is a close neighbour of Tajikistan, and it cannot remain indifferent to the Tajik situation," says the document.

The statement reaffirmed the invariability of Bishkek policy on Tajikistan which is based on non-interference in internal affairs of the sovereign state, development of bilateral relations in accordance with universally recognized international norms, the U.N. Charter and Kyrgyz obligations as a member of the Commonwealth of Independent States.

Russia's Shumeyko Discusses Ties, Caucasus

LD0305205794 Bishkek Kyrgyz Radio First Program Network in Russian 1605 GMT 3 May 94

[Text] An official visit by a Russian parliamentary delegation to Kyrgyzstan began yesterday. It is led by Federation Council Chairman Vladimir Shumeyko. He said when signing an interparliamentary agreement: Even if you leave in our agreement only the (?first clause) saying that the sides will contribute to developing interparliamentary cooperation and promoting equal and mutually beneficial relations in political, social, economic, cultural, and other spheres, this alone would be sufficient for the successful development of ties between parliaments and peoples of the two sovereign countries.

The Russian Federation Council chairman first visited Prime Minister Dzhumagulov. For over an hour they discussed economic problems of the two republics. They also discussed the issue of putting to a better use Kyrgyzstan's former defense facilities. Their capacities are not being used at present. However, each sovereign state should be able to defend itself. Therefore the defense industry should not be moved backstage, and the centuries-old, friendly relations between the two countries should not be neglected. As the saying goes: An old friend is better than two new ones. We cannot ask Russia alone to settle the problem of Nagorno-Karabakh. We don't want it to be blamed for imperialist manners, if it alone will be forced to impose order here. Of course, we recognize the special interests of Russia in relation to this and other regions of the former USSR. But at present, Russia not only counts on its own forces but expects that all the other CIS countries will correctly understand its policy. All this was stated by Sherimkulov, speaker of the Kyrgyzstan parliament, during a brief news conference after signing the agreement on interparliamentary cooperation between the two countries.

Russian Federation Council Chairman Vladimir Shumeyko said: Russia's main interest is (?peace) in Central Asia and the Caucasus. The Russian armed forces in the Caucasus are a kind of dividing line between warring sides. We recently reached an accord on economic cooperation of the CIS countries, but it is impossible to do anything for the well-being of people if two CIS member-countries are fighting against each other. This impedes developments in the CIS.

Answering the question from a journalist from Nagorno-Karabakh on details of the peace-making plan, Shumeyko said: Parliamentarians agree on this issue—that a comprehensive approach to this problem should be taken. We can speak about three stages: First, full cessation of military activities [words indistinct] and signing a peace treaty. Only after this can we specify the status of Nagorno-Karabakh. No less important is the fact that a third side has been invited to participate in talks on settling the conflict—the three chairmen of Supreme Soviets of Armenia, Azerbaijan, Kyrgyzstan, the Russian Federation, and representatives of Nagorno-Karabakh will try to find a solution to the problem that has not been solved by governments. Under these conditions the CIS Interparliamentary Assembly cannot withdraw until it finds a solution to the problem, Shumeyko said.

The guests left for Osh and Dzhalalabad oblasts, the areas where natural calamity has happened. Talks on settling the Caucasian conflict will begin on 4 May.

Working Group on Karabakh Settlement Meets in Bishkek

LD0405083294 Moscow ITAR-TASS in English 0705 GMT 4 May 94

[Report by ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek 4 May TASS—Working groups of the Commonwealth Inter-Parliamentary Assembly met in the capital of Kyrgyzia [Kyrgyzstan] today to discuss the Nagorno-Karabakh problems and look for ways of settling the crisis.

The meeting was opened by President Askar Akayev of Kyrgyzia. In his opening address the president expressed the desire to see the meeting make "the first step towards the peaceful settlement of the Karabakh conflict."

Taking part in the forum are Chairman of the Board of the Inter- Parliamentary Assembly Vladimir Shumeyko, Speaker of the Parliament of Kyrgyzstan [as received] Afiyaddin Dzhalilov, Armenian Parliament Chairman Babken Araktsyan, representatives of Nagorno-Karabakh lead by Karen Baburyan. Roger Janson of Finland is attending as an observer.

On the eve of the meeting Vladimir Shumeyko told journalists that he was attaching great significance to negotiations on the Karabakh problem. It is impermissible for two countries both of which are members of the Commonwealth to wage war against each other, he said. Recently Azerbaijan agreed to recognise Nagorno-Karabakh as a party to the conflict, which marked a considerable shift, which increases chances of success.

Afiyaddin Dzhalilov said before leaving Baku for Bishkek that the Azeri side regards the meeting in the Kyrgyz capital as an important step along the path of settling the conflict.

Along with this he declared that the Commonwealth member-states "must at last recognise that Armenia's actions are aggressive and express due political evaluation thereof."

Government Discusses Financial, Economic Issues

LD0405090894 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 2300 GMT 3 May 94

[Text] The Republic's government yesterday held a meeting, chaired by Prime Minister Apas Dzhumagulov, to examine problems of implementing taxation policy in Kyrgyzstan, replenishing the state budget, reducing the size of its deficit, decreasing the inflation rate, and other issues related to the financial and economic activities of the state management system.

Turkmenistan

New Religious Structure To Function Under President

PM0305124394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 30 Apr 94 p 2

[Report by Aleksandr Bushev: "Qadi Appointed To Be Responsible for Religious Affairs"]

[Text] Ashgabad—Just four years ago, there were only 16 mosques functioning on Turkmenia's [Turkmenistan's] huge territory; now 180 have been built, and around another 100 are in the completion stage. What is going on? After all, everyone—from the famous Arminiy Vamberi to the travelers of our century—has unfailingly talked of the Turkmens as one of the peoples least disposed to religious dogmatism?

Fears are idle—fundamentalism will not cross into Turkmenia. The policy of building a secular society proclaimed by President S. Niyazov recently received further confirmation.

Gathering a large number of believers around a banquet table on a small strip of grass outside the city, the Turkmen President announced his model for relations between the people and the religious aristocracy.

"There are people who want religious rites and customs to be inculcated in everyone on a compulsory basis," Turkmenbashi complained. "This is heard especially frequently from the clergy. But Turkmens have never allowed anyone to force them to do anything."

Formerly, leadership of religion in the republic has been exercised by the Council for Religious Affairs under the Cabinet of Ministers, retained from Soviet times. S. Niyazov announced the decision to create a new structure. Henceforth, there will be something like a committee or ministry for religion, but this time under the country's president. It will be headed by the supreme religious official—the qadi of all Turkmenia. His deputy will be the leader of the Turkmenistan Orthodox churches. Both are to be assigned a ministerial salary of 1,000 manats, and, like all Turkmen ministers, they will travel in state "Volvos."

At the conclusion of the meeting religious figures appealed to the Almighty to bless the Turkmen leader.

Special Commercial Exchange Rate Introduced

LD0305200194 Moscow INTERFAX in English 1608 GMT 3 May 94

[Text] Turkmenistan has introduced, starting with May, a special commercial rate of exchange for its national currency, the manat, at which banks will carry out transactions with individuals.

The rate will be 60 manats per dollar, while the official rate is 10 per dollar, and is expected to stay until further notice by the Central Bank. Meanwhile, the street value of the dollar in Ashkhabad is 90 to 95 manats.

All banks are allowed to buy hard currency at that commercial rate. The country's Vneshekonombank (foreign economic bank) and the joint stock commercial bank Turkmenistan have a right to exchange manats for dollars at this rate for Turkmenistan citizens go abroad while the Investbank will sell hard currency to individuals in cashless transactions to enable them to pay for cargo transportation abroad. The banks will not handle transactions with individuals involving more than 500 dlrs.

In mid-March the manat was devalued from 1.99 to 10 per dollar. Simultaneously the government announced its intention to introduce a floating rate of exchange which was to be dictated by the prices at the country's inter-bank exchange. Following the first trading on 14 March 1994, when the banks sold 150,000 dlrs at a rate of 10 manats the exchange was suspended and the official rate stayed invariable despite the 30 percent monthly inflation rate.

Uzbekistan

Karimov, Japanese Envoy Discuss Development of Ties

LD0405093594 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 4 May 94

[Text] On 3 May Islam Karimov, president of the Republic of Uzbekistan, received Ukeru Magasaki, ambassador extraordinary and plenipotentiary of Japan to our country. Noting the prestigious position that Japan occupies in the world community, Islam Karimov stated that firm mutual economic, trade, and cultural ties have been established and contacts in all other fields are developing successfully. Japan is a distant and very much a legendary country for us; it has already stepped into the 21st century and is a leading power, the leader of Uzbekistan told the ambassador. Japan is supplying companies worldwide with modern technology and if mutual relations with Uzbekistan, where there are stable conditions, a good climate, and rich natural resources, become closer, then the development of such economic cooperation will become even more beneficial for both countries. Ukeru Magasaki thanked the president for the warm reception and stressed that the newly formed Government of Japan will strive further for the productive development of mutually beneficial ties with Uzbekistan. Saidmukhtar Saidkasymov, minister for foreign affairs of Uzbekistan, was present at the meeting.

Armenia

Foreign Minister Seeks Good Relations With Neighbors

AU0205133494 Sofia KONTINENT in Bulgarian 29 Apr 94 p 6

[Interview with Armenian Foreign Minister Vahan Papazyan by Tsvetana Krusteva in Sofia; date not given: "Disintegration of Soviet Union Is Still Continuing"]

[Excerpts] [Passage omitted] [Krusteva] It is claimed that Moscow is the key to solving the Nagorno-Karabakh conflict.

[Papazyan] I am not sure how far one can claim this. Of course, Moscow wields very great influence in Azerbaijan, Nagorno-Karabakh, and Armenia, but I would not say the key lies in Moscow. Moscow has influence over all the parties to the conflict, as it has over all the processes in the former USSR, a fact that one has to bear in mind. However, the point in this case is that other countries are now being drawn into the conflict as well. Moscow is not the only one that can influence the peace process, but also Iran and certain other states. We should not forget that 2,000 Afghan mojahedin are fighting for the Azeris against the Karabakh army and the self-defense forces.

We think the best way to seek peace is to organize talks through international organizations. It seems that now it is possible to negotiate a cease-fire. If we manage to stop the war, then we can start talks in other directions as well, such as on withdrawing troops from the occupied territories and on suspending the blockade of Armenia.

[Krusteva] Can Armenia exist without Russia, and vice-versa?

[Papazyan] We are existing without them right now.

[Krusteva] What is your view on ideas mooted in Moscow of creating a new state to replace the former USSR?

[Papazyan] They are unrealistic. Such proposals have no real foundation. Naturally, Armenia has strong historical links with Russia, and I do not think this is such a bad thing. In principle we believe that we should maintain good relations with Moscow, and as far as I know they think the same. Wherever possible, we will deepen these relations. We are allied with Russia, but want to cooperate with other countries as well. We have quite good relations with Iran, which is our third biggest trading partner, and I think we can extend our relations with them in the future. We also have good relations with some EU countries, such as France, and also with the United States.

[Krusteva] Why was Armenia one of the CIS countries that did not object to President Yeltsin's proposed decree on creating Russian military bases on the territory of the former USSR? Other CIS countries reacted sharply.

[Papazyan] There is no need even for negotiations on this, because for a long time we have had a treaty with Russia on maintaining three Russian bases in Armenia, and they exist. Armenia was one of the founders of the CIS, and actively participates in the community because we believe one must delay the disintegration of the USSR. In my view, this disintegration is still continuing. All the conflicts on the territory of the former Soviet Union prove this. We must ensure that the "pain" during the period of disintegration is as mild as possible. [passage omitted]

[Krusteva] Ankara recently accused Yerevan of allowing the Kurdish Workers Party (PKK) to maintain bases on its territory.

[Papazyan] The Turkish leadership is unable to grasp that Turkey has to solve its own problems, and there is no point in seeking solutions where they do not exist. Armenia does not help the PKK. Even if it wanted to, Armenia is not in a position to help them. Armenia needs help itself and is in receipt of humanitarian aid. In principle we are against interference in the internal affairs of any country. Incidentally, Armenia is not the only country against which Demirel and the other Turkish leaders make such accusations. They claim that Iran, Syria, and Greece are helping the PKK. We attribute this to the fact that Ankara cannot find a way to solve this problem.

[Krusteva] In an interview with a Russian newspaper, President Demirel said that Armenia should maintain good relations with Turkey if it wants to develop well in its region. What do you think?

[Papazyan] I agree with Demirel, but would add that if Turkey wants to have good relations with Azerbaijan of the Central Asian republics, it should also have good relations with Armenia. [passage omitted]

[Krusteva] Mr. Papazyan, what does Armenia want in the Balkans?

[Papazyan] Politically speaking, we have always have good traditional relations with the Balkan countries. Our people have many common historical and cultural links. We should not have good relations only with Russia and Iran, for example, but also with any other country that wants this. Accordingly, we are ready for cooperation. In the Balkans and in Bulgaria, I hope that we will discover that we understand one another. I came here after visiting Romania, toward which we have the same attitude. We are ready to cooperate with any country, even Turkey, but unfortunately at the moment Ankara is still not ready for this.

[Krusteva] You signed a trade agreement here, but last year our imports from Armenia fell in comparison with 1992. How will out bilateral trade develop in the future?

[Papazyan] I would point out that I am responsible for foreign affairs. My most important task is to find solutions to the problems that face me in my own field, such as a peaceful solution to the Nagorno-Karabakh conflict. If this is achieved, I am absolutely certain that Armenia will very quickly experience an economic upsurge. Our country was one of the most developed former Soviet republics, but because of the warfare in Nagorno-Karabakh and the economic blockade we are in a very difficult situation. As regards our bilateral relations with Bulgaria, at the moment we are laying a juridical basis for them. [passage omitted]

Opposition Leader Says Political Calm 'Apparent'

PM0305091594 Moscow ROSSIYSKAYA GAZETA in Russian 30 Apr 94 First Edition p 6

[Interview with Ruben Mirzakhanyan, leader of the Armenian Democratic Liberal Party, by Karen Topchyan in Yerevan; date not given: "Armenia: Civil War Would Be Catastrophe"]

[Text] Many observers describe the political situation in Armenia as quite calm. Is that right? Your ROSSIYSKAYA GAZETA correspondent's conversation with Ruben Mirzakhanyan, leader of one of Armenia's most influential opposition parties, Ramkavar-Azatakan (the Democratic Liberal Party), began with this question.

[Mirzakhanyan] I think that it is nonetheless only apparent calm. But one thing is indisputable: There has been a drastic decline in protest activity of late.

[Topchyan] The president promised that a new constitution would be adopted this year.

[Mirzakhanyan] I believe that the country's new fundamental law will be adopted within the year, and this means new parliamentary and presidential elections.

[Topchyan] Armenia is virtually the only republic in the former Union where the parliament has been operating successfully for four years now and Levon Ter-Petrosyan, who has been the state's leader for as many years, is clearly not thinking of retiring.

[Mirzakhanyan] I think that this is due to three factors: First, the militarily favorable development of events in Karabakh. Since early 1992 the Armenians have held the initiative in the Karabakh-Azerbaijani war. Imagine if the picture had been different. The second factor is that Armenia's leader, unlike the representatives of the new political wave in certain other independent states that were once USSR republics, is more restrained in both domestic and foreign policy. Third, for various reasons Armenia's parliament has not in its four-year activity been a major adversary of the executive, the president included.

[Topchyan] How are events in Russia affecting life in Armenia?

[Mirzakhanyan] Very directly. That is quite natural, since we are all heirs to the same political traditions.

[Topchyan] Do you not think it rather phenomenal that effectively all the political forces in Armenia unequivocally favor alliance-partnership relations with Russia?

[Mirzakhanyan] It would be incredibly hard for Armenia to build its future without close partnership relations with Russia.

[Topchyan] What is your forecast regarding the probable development of political events in Armenia?

[Mirzakhanyan] It depends directly on the changes under way in Moscow. If there are many unknown quantities in Russia's future, the same can be said about the future of Armenia.

Greece To Support Nuclear Plant Pending Assurances

NC0305150694 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 3 May 94

[Text] Armenian Prime Minister Grant Bagratyan sent a letter to Greek Prime Minister Andreas Papandreou in February this year asking him to support the Armenian Government's request for financial assistance from the EU to reopen the Armenian nuclear plant.

In his reply, the Greek prime minister gave assurances that he will spare no effort in supporting the request of the Armenian Government, but at the same time he expressed the following view: Considering that most of the EU countries are concerned about safety in connection with the Armenian nuclear plant, Armenia needs to completely convince the international community that the opening of the nuclear plant will in no way pose a danger.

I want to reiterate the Greek Government's determination to actively contribute to your country's economic reforms and democratic processes to which you and the friendly Armenian people remain dedicated, wrote Greek Prime Minister Andreas Papandreou at the end of his letter.

Industrial Privatization Program Discusses

PM0305095794 Moscow PRAVDA in Russian 30 Apr 94 p 2

[Report by Boris Mkrtchyan: "Armenia: Dying Patient Receives Shock Treatment"]

[Text] Yerevan—Trenchant discussion over the privatization of industrial enterprises has begun in Armenia. The charged nature of the discussion is largely due to the fact that the land reform implemented in the republic, which established private ownership of land and compulsorily eliminated all collective and state farms, has brought the complete collapse of the agraraian sector.

Prime Minister G. Bagratyan, author of the "Armenian version" of reforms, recently stated that the government of the Republic sees the abandonment of state ownership as the only way to create the conditions necessary for effective production activity. The crux of the "Armenian version" of privatization, which was approved by the World Bank last year, basically amounts to the fact that 20 percent of shares in denationalized enterprises are to be retained by members of labor collectives. The free purchase and sale of vouchers will be carried out. Moreover, the government intends to ensure that businessmen who belong to the Armenian diaspora have free access to the purchase of shares in privatized enterprises.

The authors of the "Armenian version" of reforms, as advocates of notorious "shock therapy," consider that society has to go through a long period of tough trials. The whole construct of such rapid and unconditional privatization of industry, which is close in essence to Gaydar's reforms, is posited on the highly dubious postulate that it is impossible to manage the state sector of the economy in conditions of free prices. Thus, the reformists of the Armenian economy are trying to relieve the state from a host of commitments and concerns regarding the people's welfare.

"Shock therapy" in local conditions will lead to the predominance of corrupt groups and clans in the sphere of the economy.

Azerbaijan

Aliyev To Sign NATO Partnership Document in Brussels

NC0305204594 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 3 May 94

[Text] The Azerbaijani President Geydar Aliyev left for Brussels this afternoon to take part in the discussion of NATO's Partnership for Peace program. The head of the Azerbaijani state will sign a document in the capital of Belgium on the our republic's adherence to this program. Membership in such a program will play an important role in Azerbaijan's rapprochement with the Western countries, and will create wider possibilities to make use of NATO's prestige and influence for the peaceful resolution of the conflict [with Armenia] through talks.

Before leaving for Brussels, the Azerbaijani president spoke to reporters on the aim of his visit.

[Begin Aliyev recording] I will sign the document. This is the main purpose of my visit. In addition to that, many business circles in Brussels want to meet with me. I will meet with businessmen to solve the economic problems. This is because, as you know, Belgium is the center of European Economic Community. I will also discuss how this economic union could assist Azerbaijan. This is the main aim of my visit.

Undoubtedly, the current situation in Azerbaijan, the ongoing war between Azerbaijan and Armenia, and the continuing aggression by Armenia against Azerbaijan—these attacks are continuing even today—will be explained both at NATO headquarters and during my other contacts. I will hold talks on these issues and will set out Azerbaijan's policies.

The Armenian Armed Forces have been unceasingly attacking Azerbaijani territory since 10 April, despite the fact that they are suffering heavy losses. The Azerbaijani Armed Forces are causing them major losses. Despite that, they are still pressing ahead with their attacks, and they are not launching these attacks alone. I think that there are many forces helping them.

We want to stop the shooting. We have already issued statements to this effect. We agreed to sign the cease-fire agreement sponsored and proposed by Russia's Foreign and Defense Ministries on 28 April. However, the Armenian side has not agreed to this. In the meantime, a large CSCE group has visited Azerbaijan headed by Mr. Mosberg. This delegation also included U.S. generals and representatives of Russia, Italy, and other CSCE countries. Mr. Mosberg held extensive talks with me. He then visited Daghlyk-Karabakh's [Nagorno-Karabakh] Khankendi [Stepanakert], and Yerevan. He returned to Baku for talks with me. They too put forward a draft cease-fire agreement. I agreed to that draft agreement too. However, when they returned to Yerevan and talked with Armenian President Ter-Petrosyan, he and the Armenian leadership did not agree to sign this agreement for the time being, and declared that at present they are not ready for a cessation of hostilities on the pretext that a special mechanism should be prepared to oversee a cease-fire.

We too know that a special mechanism is needed to ensure and supervise the cease-fire. However, this mechanism could be created after the establishment of a cease-fire. It will serve neither Armenia nor Azerbaijan if we now sit and work on a mechanism while the fighting continues and people get killed on both sides. Mr. Mosberg phoned us from Yerevan informing us that the Armenian side did not agree with this, and therefore his delegation returned to Vienna.

This is the situation for now. The Armenians are continuing their attacks, and the Azerbaijani Armed Forces are retaliating. The Armenian attacks have been repulsed in some sectors and their military goals have been blocked. They have withdrawn and suffered many losses. Despite this, the war is continuing.

We are not for war. I again declare today that we favor the establishment of a cease-fire. However, the Armenian side does not agree to this. We will pursue our peace-loving policy. [end recording]

The Azerbaijani president was seen off at Bina airport by Rasul Guliyev, chairman of the republic's Supreme Soviet; Prime Minister Suret Guseynov; Afiaddin Dzhalilov, deputy chairman of the Supreme Soviet; deputy prime ministers, ministers, heads of the state enterprises and law enforcement organs.

Removal of Ordubadskiy Leader Protested

NC0305194494 Baku TURAN in English 1731 GMT 3 May 94

[Text] Nakhichevan, 31 May (TURAN)—On May 2 at 11 o'clock the leadership of Nakhichevan Autonomous Republic headed by the Chairman of Supreme Majlis, Namik Gasanov, and Premier, Shamsaddin Khanbabayev, arrived in Ordubadskiy—the region centre of the republic.

The People's Deputy, Khidzhran Kerimli, told TURAN that several "Ikarus" buses with armed policemen arrived in Ordubadskiy too. The same source reports that President Aliyev issued a decree concerning the removal of the head of Executive Power of Ordubadskiy, Rovshan Shafiyev (supporter of Elchibey), from his duties.

Having known about the authorities' intention, Ordubadskiy's citizens began to picket the building of Executive Power and they protested against President Aliyev's resolution. The talks between Nakhichevan's leadership and local authorities lasted for 8 hours but were failure. The population and Nakhichevan's powers did not agree to fulfill President Aliyev's resolution. After that the leadership of Autonomous Republic and policemen left Ordubadskiy.

As is known, Ordubadskiy's region of Nakhchivan is the only region in Azerbaijan where Abulfaz Elchibey's supporters hold several offices. After June events last summer Elchibey together with its supporters left Baku and arrived at the village of Keleki of Ordubadskiy region where he lives until now. Since that time Baku several times attempted to remove the head of Executive power of Ordubadskiy from his duties but those attempts failed.

Aliyev Appoints New Leader

NC0305190294 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 3 May 94

[Text] By decree of the Azerbaijani President, Mehradzh Mamed ogly Aliyev has been appointed head of Ordubadskiy Rayon Executive Administration in Nakhichevan Autonomous Republic.

Speaker Tours Border Regions, Sets Peace Conditions

NC0305193894 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 3 May 94

[Text] As we already reported, Rasul Guliyev, chairman of the republic's Supreme Soviet, has visited Bardinskiy and Geranboy [Shaumyanovskiy] rayons.

[Begin recording] [Correspondent Nermine Elikhanbeyli] The powerful attacks launched by Armenia's armed units since 10 April have considerably aggravated the situation in regions of our republic adjacent to the frontline such as in Terterskiy, Geramboy, and Bardinskiy.

The visit of Rasul Guliyev, speaker of parliament, to Bardinskiy and Geranboy rayons was linked to the existing sociopolitical situation.

During a short meeting at the Bardinskiy Rayon executive administration, in which Deputy Prime Minister Ali Takhmazov [name and title as received], and Defense Minister Mamedrafi Mamedov also took part, the situation in the region was discussed and the necessary instructions were issued. It became clear that compared to our fighting sons, the number of deserters who flee from the frontlines and are engaged in destructive activity in the cities is not small.

During the meeting at the Geranboy Rayon administration building, the region's problems were discussed. The necessary instructions were issued for a speedy solution to the problems.

After familiarizing himself with the refugees' living conditions in Barda, the chairman of the republic's Supreme Soviet, Rasul Guliyev said:

[Guliyev] The situation is very grave, because Azerbaijan is alone in this struggle. We must state this openly and face it. That is, there is no other state that will give much support to the Azerbaijan state and people.

You know who is helping the Armenians. This is a known fact. That is, it is impossible that the Armenian Armed Forces could be so superior to the Azerbaijani Armed Forces. In my opinion, this is impossible. Also, the economic potential of the Armenians does not make it possible for them to wage a prolonged war against us. But, undoubtedly, there are many who provide support to the Armenians. Armenia has a powerful diaspora. Though the Armenians are dispersed all over the world, they keep in touch with each other. There is a certain uniting party among the Armenians living outside Armenia and in Armenia. All these are facts. In addition, there are other forces who support the Armenians and give them arms and military hardware.

Therefore, Azerbaijan is now in a grave, dangerous situation. To be more correct, Azerbaijan has no strength (?now). Azerbaijan has been in a terribly grave condition for the last six years. Ways should be sought to extricate ourselves from this situation. That is, this cannot go on like this for long.

Therefore, my personal efforts of late have been directed at solving this problem peacefully. And this is how it could be solved peacefully: There should be a cease-fire, and after that the Armed Forces of Armenia and Daghlyk-Karabakh [Nagorno-Karabakh] should withdraw to the present borders of Daghlyk-Karabakh. That is, they should leave Azerbaijani lands. After that, a certain zone—this is known as [words indistinct] zone—should

be created between the armed forces of Daghlyk-Karabakh and Azerbaijani Armed Forces. International observers and international armed forces should be stationed in this zone.

After this stage, our refugees should return to their own homes. And, only after that will we start talks on the so-called status of Daghlyk-Karabakh. I consider this to be the optimal path because it preserves the [words indistinct]. All these developments will be completed within 35 to 40 days. That is, if we begin the cease-fire today, the Armenians must leave our lands within 35 to 40 days. We are taking steps in this direction.

[Elikhanbeyli] The chairman of the parliament also met with the officers and soldiers of the military unit.

[Guliyev] In recent days I was in Moscow. We have to solve this problem peacefully. We will solve it peacefully. That is, the war cannot go on for long. The war is having disastrous consequences for the Azerbaijani people. I am sure that you will not abandon even an inch of land to the enemy.

[Elikhanbeyli] The head of the parliament returned to Baku yesterday. [end recording]

Overnight Fighting, Calm Morning in Nagorno-Karabakh

NC0305144294 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 3 May 94

[Text] The Defense Ministry press service reported that relative calm has been prevailing all along the Armenian-Azerbaijani border since last night. No incidents are reported.

The picture is different in Nagorno-Karabakh. The active military operations continued unceasingly yesterday and last night on the northern and northeastern sectors of the front. The press service of the Nagorno-Karabakh Republic [NKR] Defense Army headquarters reports that the battles in these sectors continued in the areas of Talysh and Karmiravan in Mardakertskiy Rayon. NKR defense units managed to halt the Azerbaijani side's offensives and forced them to retreat to their initial positions.

The same source reports that relative calm prevailed all along the confrontation line this morning. We have not received any further information on the situation since then.

Renewed Armenian Attacks Reported in North

NC0305135494 Baku AZERTAC in Azeri 1133 GMT 3 May 94

[Text] Baku, 3 May (AZERTAC)—The Azerbaijani Defense Ministry has reported that following three days of relative calm, Armenia's Armed Forces resumed their attacks in the north of Karabakh on 3 May.

The enemy is attacking the Azerbaijani Army's positions in Agdamskiy and Terterskiy Rayons with the support of armored vehicles. Fierce battles are continuing in some sectors of the front. The Azerbaijani fighters are successfully repulsing the enemy's attacks. Some 50 enemy soldiers were killed, one tank was destroyed, and six heavy machine guns were seized in one sector of the front alone.

Nagorno-Karabakh Forces Holding Off Azerbaijanis

LD0305150094 Moscow ITAR-TASS World Service in Russian 1435 GMT 3 May 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 3 May—Heavy fighting is continuing on the northern and northeastern sectors of the Karabakh front, an ITAR-TASS correspondent has been told by the Karabakh information and press department. The main incidents are located in the direction of Mardakert and Agdam, where each of the sides is trying to take the initiative, Stepanakert stressed.

According to official sources in the capital of the republic of Nagorno-Karabakh, "Karabakh forces are cutting off every attempt by the Azerbaijani side to take control of the situation." Judging from reports coming in, both sides are sustaining losses.

Karabakh Forces Repel New Azeri Offensive

LD0405093394 Moscow Mayak Radio Network in Russian 0900 GMT 4 May 94

[Text] Hostilities resumed at daybreak today in the area of the Karabakh conflict after a relative lull lasting one day.

An ITAR-TASS correspondent has been told by the Karabakh army's press service that Azeri troops supported by armor attempted to break though the defensive lines of the Karabakh forces in the northeast, in the Agdam sector. After a 90-minute long battle, all the attacks of the Azeri side were repelled, the press service noted. According to the source, the Azeris sustained significant losses in manpower and were forced to retreat to their initial positions. There were no losses on the Karabakh side.

According to reports from Stepanakert, the headquarters of the Karabakh army is receiving information about a massive concentration of Azeri troops and combat hardware in the north of Mardakertskiy Rayon.

Azerbaijan Suffers 'Considerable Losses' in Agdam

NC0405103394 Yerevan SNARK in English 0718 GMT 4 May 94

[Text] Stepanakert, May 4 (SNARK)—After one-day relative calm, the military actions have restarted in the Karabakh conflict zone.

The press centre the Karabakh Defence Army Staff told SNARK that on May 4 dawn Azerbaijani side, using the armoured hardware, tried to break through the Karabakh forces' positions at the eastern (Agdam) [parenthesis as received] sector of the front. According to the data received by this midday, the attacks of Azerbaijani troops were beaten off. The Azerbaijani side has considerable losses in man power. The Karabakh side has no losses.

Meanwhile, according to the same source, the intensive accumulation of Azerbaijani troops and hardware is observed in the north of Mardakert region of Karabakh.

Current Status of Karabakh Situation Reviewed

PM0205105994 Moscow IZVESTIYA in Russian 30 Apr 94 p 3

[Report by Boris Vinogradov: "Shooting Continues in Karabakh Conflict Zone"]

[Text] There is every indication that Russian Defense Minister Pavel Grachev's threats of abandoning involvement in settling the Armenian-Azerbaijani conflict if the warring sides continue fighting are having little effect. Contrary to expectations calm did not prevail on all fronts 29 April.

As you know, Baku was the first to respond to Russia's cease-fire initiative. Azerbaijani Defense Minister Mamedrafi Mamedov agreed 26 April to suspend combat operations and begin talks. It took Nagorno-Karabakh three days to come up with an affirmative response. In a letter to Pavel Grachev, Andrey Kozyrev, and Vladimir Kazimirov, the Russian president's special representative, Karabakh Foreign Minister Samvel Babayan said that troops have been ordered not to fire.

A truce has not been secured. There is still no official document. Whereas Azerbaijan is being guided by the Russian plan, which talks about curtailing offensive operations and the use of heavy artillery for shelling and aerial bombardment, Stepanakert is acting on the basis of the 18 February protocol signed in Moscow. This envisages a cease-fire applicable to all categories of weapons.

Over the next few days a unified document is expected to be signed, guaranteed by representatives of Russia and the CSCE's Minsk Group. But for the time being the conflicting sides are accusing one another of intending to use the peaceful respite to regroup their forces and prepare for another assault. Over the last few days the Karabakh troops have had some success in the northern sector, penetrating several kilometers into Azerbaijan. Baku is demanding that troops be withdrawn from the captured areas, which by and large accords with the Russian plan.

There is a dual attitude to this document. Geydar Aliyev supported it by and large, but is pressing for "certain finishing touches." Yerevan agrees with the main provisions of the draft, but claims that it does not have decisive influence over Stepanakert. We were told by the Russian Foreign Ministry that painstaking work still lies ahead in order to close the gap between their positions. An Azerbaijani parliament delegation led by Speaker Rasul Guliyev is holding consultations with the Russian leadership. Experts led by the Swedish diplomat Matias Mosberg [name as transliterated], head of the CSCE Minsk group on Nagorno-Karabakh, have traveled out to the frontline area.

He described the Russian plan as the "most realistic," singling out such points as the liberation of Azerbaijan's conquered territory and the creation of a joint staff to supervise the implementation of commitments.

Georgia

Shevardnadze: Russia's Help Needed To Form Army

LD0305162694 Moscow INTERFAX in English 1411 GMT 3 May 94

[From the "Presidential Bulletin" feature No. 84 (574) for 3 May 1994 compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] "The experience of the past few years has demonstrated that it is impossible at this stage to form a truly national Georgian army that would become a guarantor of independence without friendship and cooperation with Russia." The statement was made in a Monday interview with local radio by the Georgian head of state Eduard Shevardnadze.

He said that the appointment of Lieutenant-General Vardiko Nadibaidze to the post of Defence Minister last week began a new stage in the life of the army. Nadibaidze used to be deputy commander of the Russian army group in Transcaucasia. In the interview the Georgian leader said new professional approaches are necessary and that was the reason for proposing Nadibaidze to the post of minister. According to Shevardnadze, the general is an experienced specialist and good organizer who is perfectly familiar with the principles of forming an army as well as with weaponry.

Independent experts in Tbilisi see a link between Shevardnadze's statements about the need to build an efficient army and his recent declarations that though giving preference to peaceful political methods of settling the Abkhazian problem the leadership of the country does not rule out a military solution.

During his recent visit to west Georgia Shevardnadze expressed hope that the painful problem would be settled finally within two or three months. He accounted the possibility to the improvement of relations with Russia and to help from the international community. IF Note: Meanwhile, a personal envoy of the Georgian head of

state Aleksandr Kavsadze has categorically denied the charges of the Abkhazian authorities that the Georgian government connives with provocative actions of Georgian saboteurs in Gali region. He declared that Georgia remains a supporter of a peaceful and honorable settlement of the conflict in Abkhazia.

Parliament Resumes Work, Discusses Economic Measures

LD0405103494 Tbilisi First Program Television Network in Georgian 0400 GMT 4 May 94

[Text] The Georgian parliament resumed its work yesterday. The session started with quorum problems. Parliamentary Speaker Vakhtang Goguadze proposed to broaden the powers of the speaker's office, enabling it to apply effective sanctions [against deputies who fail to attend]. The head of state said that parliament should consider this proposal if it wants its legislative activity to be more productive.

After a quorum was reached, Deputy Shalva Natelashvili submitted a proposal concerning amendments to the provisional rules of procedure. He said that plenary sessions of parliament should be held less frequently to allow deputies to work in commissions.

The head of state supported this idea. In his opinion, parliament's legislative activity cannot be replaced by decrees. The bulk of work should be carried out in commissions.

The second proposal on the agenda addressed the old painful problem of the coupon. Deputy Prime Minister Teimuraz Basilia said that the Cabinet of Ministers has set up a commission responsible for reorganizing the financial system. The commission has been entrusted with drafting specific steps aimed at strengthening the coupon and revitalizing the economy. In its work, the commission will take into account IMF and World Bank recommendations.

The deputy prime minister said that an integrated program is needed to revitalize the economy. The first step in this direction would be to free prices, since the difference in prices [between the public and private sectors] is mainly responsible for the budget deficit. Rationing could serve as a social protection mechanism. It is necessary to determine a budget deficit limit, which is to be filled with revenues from state property privatization. These revenues should be used to repay bank credits and to establish a fund to stabilize the financial system. The deputy prime minister stressed that the National Bank is to play an important role in this process.

The draft program produced heated debate and a fair amount of skepticism.

In responding to deputies' remarks regarding the further impoverishment of the population, the absence of social protection mechanisms, and the impossibility of implementing reforms, Deputy Prime Minister Basilia said that it had been much easier for him to be a member of parliament and work on this issue in commissions than to speak from his present vantage point. However, he said, it is necessary to start this process, since the current situation defies assessment.

The fact that both parliament and the government have discussed ways of strengthening the coupon and revitalizing the economy many times before gives ground for a certain degree of skepticism. Is it possible to implement everything mentioned above? Deputy Prime Minister Basilia gave us the following answer:

[Begin Basilia recording] The most difficult part of it is to make a decision and to have the political will to implement these measures. I am profoundly convinced that the measures which I presented to parliament today are the only way of overcoming the current economic crisis. I am not aware of any other ways or measures of doing it. Therefore, I think that all of us, both parliament and government, should work in coordination to implement these measures. If our work is well coordinated, I am sure that we will achieve some results. [end recording]

Deputy Parliament Speaker Receives Death Threats

LD0305145594 Tbilisi IBERIA in Georgian 1430 GMT 3 May 94

[Text] Tbilisi, 3 May—Vakhtang Rcheulishvili, deputy speaker of the Georgian parliament, has announced that certain persons are threatening to kill him, which indicates that an armed coup d'etat is being prepared in Georgia.

Poll Shows Little Faith in Parliament Work

AU0305155594 Tbilisi SVOBODNAYA GRUZIYA in Russian 28 Apr 94 p 1

["SVOBODNAYA GRUZIYA Blitz Poll"]

[Text] What is your assessment of the work of the majority in parliament?

Positive—21.1 percent
Neutral—19.0 percent
Negative—39.2 percent
Difficult to say—20.7 percent
What is your assessment of the work of the minority in parliament?
Positive—13.6 percent
Neutral—18.2 percent
Negative—45.4 percent
Difficult to say—22.8 percent

Poll Shows Majority Deem Joining CIS 'Expedient'

AU0305163994 Tbilisi SVOBODNAYA GRUZIYA in Russian 20 Apr 94 p 1

["SVOBODNAYA GRUZIYA Blitz Poll"]

[Text] Following the meeting of the heads of CIS states in Moscow [16 April]...

I believe more firmly that it was expedient to join the CIS—51.3 percent;
I believe more firmly that it was not expedient to join the CIS—21.7 percent;
My view has not changed—27.0 percent.

Humanitarian Aid Not Reaching Destination

AU0405110094 Tbilisi SVOBODNAYA GRUZIYA in Russian 28 Apr 94 p 3

["BS-Press" report under rubric "According to Reports From Correspondents and Information Agencies": "According to Information From the Chamber of Control, a Large Part of Humanitarian Aid Is Not Reaching Its Destination"]

[Text] Referring to violations connected with receiving and distributing humanitarian aid, Revaz Shavishvili, chairman of the Chamber of Control, stated today in an interview given to the "Alioni" [television] program that the Chamber of Control has simply confirmed something that was already known to the population. According to Shavishvili, a significant part of humanitarian aid given by countries to Georgia in the form of medicines and food products either does not leave the warehouse for a long period of time or, after being allocated its place of destination, ends up in the hands of commercial structures. As an example, he mentioned 58,000 ampules of insulin and two dozen tonnes of cheese that could no longer be used as their consumption date had expired.

Shavishvili also pointed out that, despite a multitude of similar facts exposed by the Chamber of Control during the course of recent checks, they still do not reflect the real state of affairs. Shavishvili believes the reason for such chaos lies in the lack of a single coordination center for the distribution of humanitarian aid.

Kavsadze Holds Talks With South Ossetian Leader

LD0305114794 Tbilisi IBERIA in Georgian 1000 GMT 3 May 94

[Text] Tbilisi, 3 May—Aleksandr Kavsadze, chairman of the State Committee for Human Rights and Interethnic Relations, has met Ludvig Chibirov, chairman of the people's nikhas [parliament] of so-called South Ossetia. The discussion took place in a constructive atmosphere. Plans leading to a final settlement of the conflict were outlined.

Shevardnadze Sets Up 'Service' in South Ossetia

LD0305173694 Tbilisi First Program Television Network in Georgian 1600 GMT 3 May 94

[Text] At the order by the head of the Georgian state [Eduard Shevardnadze], a service of the state envoy and the representative extraordinary and plenipotentiary [as heard] to the head of the Georgian state has been set up in the region of Shida Kartli [South Ossetia].

The key function of the service is to reinforce the republic's territorial integrity, law and order and the defense capability on the relevant territory, as well as stabilize the political and social situation, carry out restoration works, secure the return of the forcibly removed population, and secure the population's social interests and their human rights.

Evacuated Greeks Returning to Abkhazia

AU0305172494 Tbilisi NOVAYA GAZETA in Russian No. 7 (73) Apr 94 p 3

["BS-Press" report: "The Greeks Are Returning to Abkhazia"]

[Text] Dionisios Kalamvrezos, the Greek consul in Moscow, stated that the majority of Greeks who were evacuated during military actions in Abkhazia and sent to their historic homeland were gradually returning to their places of permanent residence. The Greek authorities are not preventing the return to Abkhazia of refugees from among their compatriots. However, they are demanding appropriate guarantees for their security.

According to figures given by the consulate, there were between 16,000 and 17,000 Greeks living in Abkhazia before the outbreak of the war. The total number remaining there today is 3,000.

Police Succeed in Opening Up Zugdidi-Mestia Highway

AU0305155294 Tbilisi NOVAYA GAZETA in Russian N0. 7 (73) Apr 94 p 3

["BS-Press" report: "Traffic Is Moving Again Along the Zugdidi-Mestia Highway"]

[Text] The press service of the Georgian Ministry of Internal Affairs [MVD] has stated that, as a result of operations conducted by the police in western Georgia, the Zugdidi-Mestia highway has been opened up to traffic. During the last year and a half, it has been under the control of armed supporters of the ex-president [Zviad Gamsakhurdia] and local bandits. During all this time, food products and other goods were delivered to Mestia—the center of Svanetia—by helicopter.

Colonel Korneli Chiladze, deputy minister of internal affairs, is supervising measures to guard the Zugdidi-Mestia highway. As the MVD press service points out, a

big factor in the success of the operation was the support given to the police by the local population.

Moscow, Tbilisi Internal Affairs Departments To Cooperate

AU0305173294 Tbilisi SVOBODNAYA GRUZIYA in Russian 29 Apr 94 p 1

["BS-Press" report under rubric "According to Reports From Correspondents and Information Agencies": "The Moscow and Tbilisi Departments of Internal Affairs Plan To Cooperate"]

[Text] According to information supplied by the press center of the Georgian Ministry of Internal Affairs, the Tbilisi and Moscow departments of internal affairs will sign an agreement in the near future on mutual assistance and cooperation. It is envisaged that it will provide for the exchange of special information, help in the search for criminals, and also material and technical assistance.

Tbilisi Chief Says Police 'Forced' To Turn to Crime

AU0305173394 Tbilisi SVOBODNAYA GRUZIYA in Russian 26 Apr 94 p 1

["BS-Press" report under rubric "According to Reports From Correspondents and Information Agencies": "The Tbilisi Police Garrison Is in Need of Help"]

[Text] Addressing a meeting of heads of law enforcement bodies in Georgia, Tbilisi Police Chief Demur Mikadze stated that 600 policemen had not been paid at all for eight months and [these] people "were being forced to take up arms and rob."

Since the beginning of this year, 28 police employees had been dismissed from the internal affairs bodies for various offenses and criminal proceedings had been initiated in eight cases. He pointed out other problems affecting the Tbilisi police garrison: the lack of a material and technical base, modern equipment, and essential means to fight crime.

Shevardnadze Issues Market Prices Order

NC2904210694 Yerevan SNARK in English 1409 GMT 29 Apr 94

[Text] Tbilisi, 29 April (SNARK)—The head of Georgian state, Eduard Shevardnadze, issued an order according to which the number of state-funded facilities will be reduced since the second quarter of 1994. The order also reads that, with purpose of fast transition to free prices, the state subsidiaries for bread, electric power and gas are planned to be cut.

At the same time, VAT [value-added tax], customs taxes and excise duty for petrol will be increased. The 8-percent tax for products export will be removed. Also the obligatory currency sale to government by the enterprises is no more valid.

The order, as think the government specialists, has been developed according to the IMF and IBRD [International Bank for Reconstruction and Development] recommendations.

National Bank Chief Expresses Concern for Economy

NC0305193694 Yerevan SNARK in English 1155 GMT 3 May 94

[Text] Tbilisi, 3 May (SNARK)—Georgia spends 10 times more than allows the state of her economy, stated today the President of Georgian National Bank, Nodar Djavakhishvili, to the SNARK newsman. In his opinion, the introduction of a new national currency, lari, is now highly questionable, since even a small stabilization of Georgian coupon is impossible.

"It is impossible to exist on account of emission. We increase every quarter the money issue which is not secured by the real content, thus subjecting the people to hyper-inflation", said Djavakhishvili. He observed that "Georgian economy doesn't even compensate its expenses for gas".

"If so, then we should not use gas at all. By the way, nearly 80 percent of Georgian population actually do not use gas. Only Tbilisi, Rustavi, Batumi and Kutaissi receive gas", noted the head banker of Georgia. He also suggested that the Georgian Government would finally make a decision: "In the case Georgia goes towards the ruble zone, rather than strengthens its coupon, the government needs a new chairman of the National Bank", said Djavakhishvili.

Official Notes 'Sharp' Increase in Economic Crimes

AU0405110194 Tbilisi SVOBODNAYA GRUZIYA in Russian 21 Apr 94 p 2

[Article by IPRINDA correspondent Nana Rizhamadze: "Lost Credits?"]

[Text] On 20 April, Colonel Valerian Gogolashvili, head of the Ministry of Internal Affairs Press Center, stated in a conversation with an agency correspondent that there had been a sharp increase in economic crimes recently. In particular, according to Gogolashvili, the Department for the Struggle Against Economic Crimes is investigating a large number of facts connected with credits received by various firms and private individuals. All these processes involve serious violations. Under the pretext of purchasing food products, petrol, and so forth, firms are receiving large credits from banks (often through stooges). Then, these sums are transferred to

other banks outside the republic; as a rule, these sums—already in rubles and dollars—are "pocketed" and, naturally, they are not used to purchase anything. In this regard, according to agreements concluded between the ministries of internal affairs of the CIS member states, power structures are carrying out joint work (sometimes with the involvement of Interpol) aimed at exposing all these facts.

Figures Show Further Drop in Standard of Living

AU0405105994 Tbilisi SVOBODNAYA GRUZIYA in Russian 28 Apr 94 p 3

["BS-Press" report under rubric "According to Reports From Correspondents and Information Agencies": "The Standard of Living of the Georgian Population Is Continuing To Fall"]

[Text] According to figures supplied by the State Committee for Socioeconomic Information, the state budget deficit in January-February amounted to 451.1 billion coupons. Deductions from the budget exceeded revenues by a factor of 3.7.

According to figures for 1 April, the population's deposits in saving banks totalled 199.5 billion coupons, which is 111.6 billion more than the figure for 1 January of this year.

According to information supplied by the same committee, there was a 76.5 percent increase in prices in state and commercial trade during the first quarter. Prices of food products rose by 31.1 percent and prices of industrial goods by 111.8 percent.

The standard of living of the Georgian population is continuing to fall. The minimum wage based on the dollar exchange rate is 10.9 cents and, based on the ruble exchange rate, 192 rubles. The poverty level of the average family consisting of four persons has exceeded 50 million coupons. The cost of the consumer basket per head of the population amounted to 25.7 million coupons at the beginning of April. The standard minimum wage is 17.4 million coupons while the real minimum wage remains as before 50,000 coupons.

Estonia

Meri Interviewed on Relations With Russia

LD0305164494 Moscow INTERFAX in English 1411 GMT 3 May 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovsky; Edited by Vladimir Shishlin]

[Text] During the Easter holidays Estonian President Lennart Meri received in the Tallinn Kadriorg Castle a group of Russian journalists visiting Estonia at the invitation of the Estonian Foreign Ministry. During the conversation Meri answered questions by special correspondents of Interfax Aleksandr Budris and Boris Grishenko.

Interfax: Mr. President, how do you see a way towards the improvement of relations between Estonia and Russia?

Meri: I cannot say that I am satisfied with the present status of relations between the countries. 18 rounds of Estonian-Russian talks prove the opposite: it is necessary to move faster toward normalization of relations between the neighboring countries.

I think that all existing problems in relations between Estonia and Russia can be resolved in a civilized way. Although, frankly speaking, two years ago I was more optimistic on this issue. It seemed to me that all problems can be considered calmly and friendly. Including those which remained as a criminal heritage of the treaties between Stalin and Hitler. Taking this opportunity, I would like to note that although Estonia and Russia had conflicts sometimes, but historically they maintained normal relations. Extremism was not characteristic for any of the sides.

We, Estonians, are realists by nature and we know that Russia will always be our closest neighbor. And we would like to take a positive experience from our common past, not a negative one. We have enough of it.

Interfax: How can Russian-Estonian talks be intensified by putting them on the path of concrete decisions?

Meri: First of all, I would like to stress the use of these talks, because there are people in both countries who doubt their expediency. The Estonian-Russian dialogue is now rather active. It cannot be interrupted.

If delegations of both countries have been meeting regularly for two years, these are not instant contacts, but serious bilateral cooperation.

But there is a dangerous tendency in this dialogue: talking to each other for long, specialists can go deep into details and lose important strategic targets.

It seems to me that a meeting between the Estonian and Russian presidents could help break this vicious circle. I am sure that our meeting with Boris Yeltsin would enable us to conceptually resolve the most important problems in relations between the two countries, from economic to cultural ones.

We do not break off contacts with the Russian president. We conduct correspondence with Boris Yeltsin by official channels. But unfortunately I cannot indicate a possible date of such a meeting. Let me add that I am its supporter.

IF Note: On April 30 during an official visit of Latvian president Guntis Ulmanis to Moscow, IF's correspondent asked Yeltsin the following question: "When will the Russian-Estonian treaty on the withdrawal of troops be signed?" "We would very much like to sign such a document," the Russian president said. "We do not have special goals in Estonia, especially military ones. We also intend to pull our all troops from Estonia. However, Russia would like to do it in the same way as it was done with Lithuania and Latvia—on the legal basis, so that a treaty with a clear timetable of control over its implementation is signed. We work so with Germany, from where all Russian troops will be pulled out this year. Therefore, in case of Estonia, they need to show goodwill, and from our side there is already full agreement."

Interfax: Lately the Estonian political circles have been talking about the need to attract Finland as a mediator in the Russian-Estonian talks. What is your opinion on this issue?

Meri: I welcome any step which would lead to improvement of Estonian-Russian relations. I think that mediation by the experienced politician—the Finnish president Martti Ahtisaari would ease the tense atmosphere created at the Estonian-Russian talks. Let me repeat that after two years of meetings the delegations did not make any progress.

I would like to note that the withdrawal of Russian troops from Estonia and Latvia meets the interests of Russia itself. With full certainty I can say that the withdrawal will be followed by activization of economic relations between our countries. And this means that in this case we are talking about mutual benefit, not about the victory of one side and failure of another.

Estonia is a small country, but it is also capable of being useful for such continent as Russia. Take our geopolitical position, our convenient harbors. Is it possible to say that Rotterdam port, for example, belongs to some separate country? It belongs to the whole Europe.

Interfax: What do you think about the border dispute between Estonia and Russia?

Meri: Any border dispute, including ours, is similar to "Pandora box": nobody knows how it can be closed or who can do that. However, we have to find a clear answer to this question too.

I think there is a possibility to simply delay resolution of this problem for 5-10 years, by finding some proper

solution of border disputes. Of course, we are not talking about a new iron curtain, bu I am sure that such border should equally defend both Estonia and Russia from criminals, smugglers, drug dealers. This border should gain a European character.

Interfax: How do you see the role of NATO in contemporary world?

Meri: I think this organization has not obtained more enemies and it transformed from the military union into a kind of fire team. The power of NATO is aimed not against someone, but at safeguarding stability in the world. Like firemen, NATO is organized and disciplines, that is why we trust NATO.

Estonia, Latvia and Lithuania altogether can set up a peacekeeping battalion. The tragedy of Yugoslavia proves once again that a calm Europe is being born painfully.

Interfax: How do you see the resolution of the problem of non-native residents of Estonia, those who are not citizens of the republic?

Meri: I think politicians should answer this question. The attitude to citizenship is the right and the duty of every human being, it is a very intimate feeling. Let everybody decide which country he likes more in his heart. There have been mistakes on both sides concerning this issue. Some Russian politicians are trying to speak on behalf of Russians, Ukrainians, Georgians living in Estonia and to speak in their defense. Let me remind that such position caused contradictory attitude of these very people, many of who are descendants of Estonian citizens.

When people say that non-Estonians should defend their rights in Estonia, I ask: which rights in particular? This question is hard to answer for our opponents and for us. It is good that our northern phlegmatic character allowed us to put this dispute into a calm and civilized path.

President, Parliament Disagree on Presidential Role

LD0305112394 Tallinn Radio Tallinn Network in Estonian 1000 GMT 3 May 94

[Text] With 35 votes in favor and 31 against, the Riigikogu readopted today in an unamended form the law on presidency, which the president had failed to promulgate. In his resolution, President Lennart Meri referred to the law on presidency being in conflict with the Constitution because the law on presidency allows the prime minister the right to be the first to decide whether state requirements are urgent. The Riigikogu first adopted the law on presidency on 23 March this year, and the president failed to promulgate it [words indistinct].

European Union Makes Demarche With Foreign Minister

WS0305105494 Tallinn ETA in English 1644 GMT 2 May 94

["News Release"]

[Text] On Monday [2 May], the German ambassador acting on behalf of the Presidency of the European Union, accompanied by the two other "troika-members," the Danish ambassador and the French charge d'affaires, made a demarche with the foreign minister of Estonia in connection with slow implementation of the aliens law, the German Embassy in Estonia informed ETA.

"The European Union expresses concern to the Estonian Government regarding the implementation by Estonian authorities of some aspects of the aliens law which came into force on 12 July 1993," the demarche says. "The European Union considers that all state organs, including the parliament, have a particular role in stabilizing the situation of the non-citizens and in contributing towards their future integration into Estonian society," it continues.

Estonian Foreign Ministry press service told ETA that at the meeting with Estonian Foreign Minister Juri Luik, the "European Union stressed that it accepts Estonian aliens law and its juridical logic."

Spokeswoman of the Ministry Mari-Ann Rikken told ETA that the demarche had no connection whatsoever with the Russian troop withdrawal issue from Estonia and European Union still demanded Russian troop withdrawal from Estonia by 31 August 1994, connecting it to no other issues.

Rikken said that the demarche was caused by discontent of the EU in the slow application of the law, which has caused "tension and dissatisfaction" among non-citizens.

Last week, the ruling coalition decided at its two-day meeting in Lohusalu near Tallinn, that the implementation of the aliens law had to be prolonged and most probably the application deadline for residence and working permits for the aliens will be prolonged for one year from the present 12 July 1994 deadline. Deputy head of the ruling Fatherland Party Kalle Jurgenson told the POSTIMEES daily that in the nearest future a respectable bill on amending the aliens law will be handed in to Riigikogu [parliament] proceedings.

Ethnic Russians Demand Resident Status

WS0205145994 Tallinn BNS in English 1350 GMT 2 May 94

[Text] Tallinn, 2 May, BNS—Mainly elderly residents from northeast Estonia's Russian-populated cities of Narva and Sillamae formed a human chain on the

Tallinn-St. Petersburg highway Sunday [1 May], demanding permanent resident's status and higher pensions.

The picketers demanded the authorities to grant a permanent resident's status to everybody who has the Estonian resident's status stamp in their Soviet passports from earlier than July 1990, said Nikolai Klotschkov, editor in chief of Sillamae's local newspaper.

Other demands included amendments to the pension law, determining of the cost of living index, and increasing the pensions of retired workers of the nuclear industry—the leading branch for decades under the Soviet rule in the once closed-for-outsiders military plant town of Sillamae.

The roadside picket, organized by local pensioners unions, was called by the activists a "Baltic Chain", referring to the 23 Aug 1989, event under the same name.

In 1989, Estonians, Latvians and Lithuanians linked their hands in a chain extending from Tallinn to Vilnuis to demand from the then Soviet leadership official denouncement of the 1939 Molotov-Ribbentrop pact.

Deputy Claims Russian Officers Planning Armed Coup

WS0305105694 Tallinn ETA in English 0727 GMT 3 May 94

[From 3 May HOMMIKULEHT, p 1; "News Bulletin" No. 84]

[Text] MP [member of parliament] Mart Niklus, vice chairman of the Independent faction, presented a report of the Defence League Tartu unit of a secret meeting of Russian officers held in Tartu on 23 April and concerning the organisation of an armed coup.

The plans concern all Estonia's regions and the conspirators have the necessary armament, Niklus told yesterday's traditional picket at the Russian Naval HQ. The intended date is not known yet, he admitted.

Niklus added that subversive groups are located in several towns and they intend to present their actions to the international public as a civil war, which would justify the intervention of the Russian Army.

Niklus also claimed that the evacuation of the Paldiski nuclear reactors will cost the Estonian taxpayers 10 million kroons and called for the suspension of granting residence permits to aliens until the completion of the troops withdrawal.

Riigikogu [parliament] Vice Chairman Tunne Kelam later dismissed the call, explaining that the suspension would be an unreasonable act.

Price for Nuclear Reactor Dismantling Reported

LD0305170294 Tallinn Radio Tallinn Network in Estonian 1500 GMT 3 May 94

[Excerpt] The government decided today to set aside 1.4 million kroons for the cost of dismantling the nuclear reactors at Paldiski. Justice Minister Kaido Kama emphasized at a government news conference that a large proportion of this amount would come from [words indistinct] provided as foreign aid. The dismantlement of the nuclear reactors will probably begin on 15 May. [passage omitted]

28 Reported HIV-Positive; 1 AIDS Carrier

WS0405074894 Tallinn ETA in English 1849 GMT 3 May 94

["News Release"]

[Text] In Estonia there are, at present, 28 HIV-infected people and one person who has developed AIDS, Jaan Martin from the State AIDS Centre told ETA, on Tuesday [3 May]. Martin said that a total of 34 virus-infected people have been registered in Estonia, the first already in 1988. Three of the infected have left Estonia and two have died, which leaves us with 28 infected and one who has developed AIDS. All infected have got their infection through sexual relations.

According to different estimates about 2.5 million people in the whole world have developed AIDS, of which 850,000 have been registered officially. HIV infected amount to about 14 million.

Latvia

Birkavs on Russian Withdrawal, Government

LD0305212494

[Editorial Report] Riga Radio Riga Network in Latvian at 0900 GMT on 3 May carries a live interview with Prime Minister Valdis Birkavs by an unnamed correspondent from the Riga Radio studio.

[Correspondent] "I will ask you several questions. First of all, on the agreements that were recently signed in Moscow, on the agreements between Latvia and Russia that are linked to the withdrawal of the Russian Army, perhaps such a general issue and then more specific ones will follow.

"At a news conference immediately after returning from Moscow, you and [President] Mr. Ulmanis stressed that Latvian representatives had signed agreements with a new democratic Russia. However, that Russia is only one small part of Russia, which currently can influence the policy of neighboring countries only to a certain extent. Everything may change and turn upside down there. Not all the Latvian people support the agreements signed by the government and the state president. With this there is a feeling that the weight of these agreements

is not very great and there is certain instability in the two states and perhaps one should not fully take them into account as particularly important documents. How do you respond this?"

[Birkavs] "The idea that the situation is not stable in Russia is included in the question quite correctly. That is exactly why the agreements give me the guarantee of stable relations with Russia, irrespective of what events follow in Russia. That gives the guarantee that under control of the world public, the Army will be withdrawn, the Skrunda radar station will be dismantled, and it will be possible with the help of foreign money and under international control to repatriate the military pensioners. This is where the meaning and significance of the agreements lies.

"I think there is not and has not been an unequivocal attitude toward the agreements in Latvia. I understand very well and support this activity of the people. Sociological studies show that approximately 15 percent of all the people in Latvia are completely and categorically against the agreements. These people also have their own considerations; it is necessary to talk to them, to explain to them. However, history will evidently give the fairest assessment of the significance of these agreements."

[Correspondent] "Yes, that is an international aspect and that is also your responsibility, which you already stressed at the news conference on 1 May. That is your responsibility.

"So then, can you explain—I do not know in how much detail you can do it now—but what will be the control mechanism over the Army withdrawal? How will the repatriation of the military take place? What controls will there be so that we, reporters and representatives of the press, will also be able to follow closely these processes? Who will be responsible for that? I understand that the control mechanism and the range of people involved in it should be rather wide."

[Birkavs] "The most significant control mechanisms are provided by the agreements themselves. You stressed very correctly that, in order for reporters to be able to follow the progress of the withdrawal, and to tell the truth, it is necessary to give all the people the opportunity to follow the progress of the withdrawal. First of all, we will publish the withdrawal timetable. We are currently working so that ministries and local governments are instructed to follow the progress of withdrawal at a local level. We will also provide the assistance necessary for the army to be withdrawn from here possibly quicker.

"As far as repatriation is concerned, money collection is currently under way for this purpose. At a government session today, we will approve the board of the repatriation fund and a corresponding mechanism. Mechanisms have to be created here. You very correctly understood that the idea of repatriation has not perhaps been completely worked out legally. However, this is the first time that Russia at last has agreed to call its sons and daughters back home. Before, they had only been speaking of people of Russian nationality being in the near abroad and other countries and that they would protect their human rights. The situation has changed and the Russian side will also actively promote repatriation."

After this the correspondent suggests that the Russian military personnel will be withdrawn, but their families will be left behind and then the former military will come back to reunite with their families. She asks whether it will be really possible to control this process and whose responsibility it will be. Birkavs says:

[Birkavs] "The repatriation will be together with families and when we begin to divide the money—there is already real money in the repatriation fund—then we will give priority, and I have stressed it everywhere and such is my agreement with Estonian Prime Minister Mart Laar, that discharged officers under the age of 50 and under the age of 60 [as heard] have to be repatriated first. Then they will need entry visas to be able to return to Latvia. That is a very simple, internationally recognized, and well regulated control mechanism. Therefore, one should not be afraid of it, but it is very necessary to exercise strict control."

The correspondent then asks Prime Minister Birkavs about the possibility of monitoring what goes on inside the Skrunda radar station, which has been impossible even for the Bureau for Monitoring the Withdrawal of the Russian Army.

[Birkavs] "Well, 599 military personnel, and 199 service personnel: That is the amount that can be located at Skrunda. That can be monitored simply and easily enough. Besides, considering that the guarding and monitoring is up to us, these we can monitor, and anyway, if any discussions or differences arise, a mechanism has also been created for taking up these discussions and differences."

Birkavs adds he is satisfied no new troops could be brought in.

[Correspondent] "About the treaty, I think the listeners too will be perhaps asking more detailed questions, but I am still interested in the government's current stability. Last week the Saeima, the Saeima deputies voted, you could say, for confidence in the government, although among the voters were the ministers themselves. Of course, they would not vote against confidence in themselves, so this vote can be viewed variously. And, as far as the nationalist forces have announced, they are forming, quite seriously forming recently, alternative government structures. How does that affect the current work of the government?"

[Birkavs] "Firstly I would like to say that the vote of confidence in the government was requested by me personally, because it is very difficult to work in circumstances where there is no confidence in the government. If all the deputies of the Latvian Way and the Peasants' Union had been at the plenary session, then in fact, the

result of the vote would have been 60 or 61 votes. Let me remind you that when this government was accepted, we had only 54 supporters. So in fact, the number of supporters of the government in parliament has grown. The ministers voted for themselves, yes. If they had abstained, then only deputies who have claims to ministerial posts would have to abstain, as they become interested in taking on these posts, so ethically they would not vote for them."

Birkavs adds that he challenges this shadow cabinet to come out more openly, and he welcomes its formation.

Parliament Adopts Draft on Storage, Disposal of KGB Files

WS0405073794 Tallinn BNS in English 1944 GMT 3 May 94

[Text] Riga, 3 May, BNS—The Latvian Saeima (parliament) Legal Committee passed for the second reading in plenary session a draft law on storage and disposal of Soviet security service archives.

The committee wants the bill to be considered on Thursday [5 May], said its head Aivars Endzins.

After the third reading, the law could take effect 27 or 28 May, Endzins prognosticated.

The law would be used to test the alleged KGB collaboration of five MPs, among them Foreign Minister Georgs Andrejevs and Minister for Special Tasks Edvins Inkens.

The committee supplemented the bill with rights for defense lawyer and the order of appeal.

If the court finds that the deputies were KGB operatives, their mandates will be nullified and the ruling can be regarded as basis to break work or service relations.

The fact that the deputies were mentioned in KGB files alone does not testify about their collaboration because information on results of cooperation is lacking.

Foreign Minister Denies Charges of KGB Collaboration

WS0305131294 Riga LETA in English 1114 GMT 3 May 94

[Text] The newspaper "DIENA" reports that the Latvian Foreign Minister, Georgs Andrejevs, giving a telephone interview denied the charge with collaboration with KGB and said he is not going to resign if the government does not demand it. To his mind the drive launched against him and the other four deputies of the Saeima [parliament] iconvemint [as received] to some political forces interested in the breakdown of signing the agreements with Russia, in a complete split of the ruling coalition and destabilization in the government. He reiterated that his main speciality is an anesthesiologist and as a chief expert in this branch he had to regularly provide accounts of what was going on at the conferences abroad to the Health Care Ministry. He assumed that the so-called first department of the ministry possibly passed his accounts to KGB and denied the reports of his resignation which have appeared in the press. Andrejevs said that before leaving for his vacation he had handed over a confidential letter to the Prime Minister where he expressed his personal views on the possibility to stabilize the internal political situation and on the activities of the government linked to the signing of the agreements, and mentioned the change of the foreign minister as an absolutely theoretical possibility.

Environment Minister Signs Agreement With Finnish Colleague

LD0305193294 Riga Radio Riga Network in Latvian 1800 GMT 3 May 94

[Excerpt] In extending its sphere of activities, which only concerned environmental protection issues, the Latvian Ministry of Environmental Protection and Regional Development has concluded an agreement with the Finnish Ministry of the Environment on mutual support in territorial development planning and organization. [passage omitted]

Special Commission Formed To Monitor Treaty Implementation

LD0305215794 Riga Radio Riga Network in Latvian 2000 GMT 3 May 94

[Excerpt] [Announcer] Today at the session of the Cabinet of Ministers, a special government commission was formed whose task will be to monitor the implementation of the Latvian-Russian bilateral treaty. More about this from Minister of Justice Egils Levits:

[Begin Levits recording] Now, when these agreements are concluded, we have to turn to the issues of the withdrawal of the Russian Army, and issues connected with taking over the Skrunda radar station. So firstly, the Ministry of Foreign Affairs has worked out a package of tasks to realize these agreements. Another question the government discussed today and adopted a resolution, on the rehabilitation of the Skrunda environment and the establishment of the repatriation fund for Russian military pensioners. [sentence as heard] This fund is being set up by the government with the intention of restoring the environment at Skrunda and the damage incurred by it, and to promote the repatriation of Russian military personnel and other military personnel. Certain contributions have already been promised from Sweden, from America, also other Scandinavian countries, who have agreed to invest funds to repatriate Russian military personnel from Latvia and in this way solve this problem. [passage omitted] [end recording]

Law on Civil Service Adopted by Parliament

WS0305132994 Riga DIENA in Latvian 22 Apr 94 p 1

[Article by Sanita Upleja: "Law on Civil Service Adopted"]

[Text] Riga, 21 Apr—Today, Saeima [parliament] adopted, in its third reading, the long-expected law on state civil service, which is to regulate relations of the civil servants, as well as candidates for this post, in state and municipal civil institutions. In accordance with the transformation regulations of the new law, the reform of the state administration has to be completed by 31 December 1995.

The transformation regulations of the law foresee that the Cabinet of Ministers, along with the municipal authorities and heads of civil institutions are to bear responsibility for implementing the reform in due course. The transformation regulations provide that the reform is implemented in a respective sequence of time. The first stage of the reform will be carried into effect in the ministries (except the Ministry of Interior Affairs and the State Forest Service in the Agriculture Ministry), and the state institutions which are submitted to them, by 31 December of the current year.

The second stage of the reform of the state administration will take place in the Ministry of Interior Affairs, the State Forest Service, and the institutions of municipal authorities, and will have to be implemented by 31 December 1995.

To ensure a proper course of transformation, the Cabinet of Ministers will affirm the list of the civil servant positions available in the state civil service. The employees will be attestated by attestation commissions.

As is stated by the civil service law, the following are state civil institutions: the State Office, all state administration and municipal institutions, court and prosecutor's institutions, State Control institutions, as well as other institutions acting as state or municipal authorities, established in accordance with the Satversme [constitution], legislative acts, and decisions of the Cabinet of Ministers. As regards the civil servant, it is a person who has passed an examination qualifying him as a state civil servant, and has been nominated, for a definite or indefinite time, to some post defined on the list of civil service positions. According to the law, he performs the duties, which have been delegated by the state to the municipal authorities, or fulfills functions of the state civil service in a civil institution.

The law states that the posts of the chairman of the High Court, his deputies, and judges of the High Court, the chairman of the district court, his deputies, and judges of the district court, as well as judges of other courts, the posts of the general prosecutor and other prosecutors, the posts of the state controller and members of the State Control Council are not to be regarded as civil servant posts.

The law provides that the candidates for the posts of civil servants should meet obligatory requirements, such as, to possess Latvian citizenship, and to have a command of the Latvian language. The law denies the possibility to become a civil servant to a person who has been an employee of the former USSR or LAtvian SSR State Security Committee, the Russian Defense Ministry, as well as security service, intelligence service, and military espionage or counterespionage of Russia or other states. The transformation rules also provide that foreign citizens and stateless persons, who are performing duties of civil servants at the moment when the law comes into effect, are permitted—after passing the attestation examinations due to regulations adopted by the Cabinet of Ministers—to function in the status of candidates for the post of civil servant, for a time not longer than two years.

Lithuania

Baltic Presidents Meet in Closed Session

LD0305095194 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 3 May 94

[Text] The Presidents of Latvia, Lithuania, and Estonia are meeting at the Latvian resort of Jurmala today. The agenda of the presidents' closed meeting includes: the Russian-Latvian agreement on the withdrawal of Russian troops and future policy toward Russia, the Polish-Lithuanian treaty on good-neighborly relations, and other political matters.

The presidents will meet in private without even their advisers present. A Baltic News Service correspondent learned in Jurmala, where the presidents are holding the meeting, that they are not going to hold a news conference, although a joint statement could be released.

Final arrangements for the meeting and the topics for discussion were made by Presidents Guntis Ulmanis, Algirdas Brazauskas, and Lennart Meri by phone yesterday.

The meeting was provisionally planned for an earlier date, but it was decided to hold it following the visit to Moscow by Latvian President Guntis Ulmanis.

Historical 'Misunderstanding' With Poland 'Being Resolved'

PM0405104794 Moscow KOMSOMOLSKAYA PRAVDA in Russian 4 May 94 p 7

[Report by Vladimiras Zarovskis: "Love Story"]

[Excerpts] Vilnius—Polish President Lech Walesa has paid a visit to Lithuania. It is several centuries since there have been visitors of this kind here. The burden of history weighed heavy on the leaders of the two states. [passage omitted]

But there now seem to be signs of change.

Lech Walesa unexpectedly proved more peaceable than Algirdas Brazauskas. In his speech the former spoke about the future. While the latter engaged in diplomatic license: "Even now Lithuania is not abandoning its principled position that Vilnius and the Vilnius region only belonged to Poland between the wars de facto but not de jure, and in 1939 Vilnius and the neighboring

territory was legally returned to Lithuania." This statement was made in order to gratify his opponents who are demanding that the fact of the Poles' occupation of part of Lithuania's territory be recognized.

Nevertheless, a Polish-Lithuanian treaty was nevertheless. The main point therein being recognition of the inviolability of borders and the legality of the capitals "regardless of past borders." That is, Poland has officially renounced its claims to Vilnius and the Vilnius region and Lithuania has officially secured its right to them. This can be seen as a great success for Lithuanian diplomacy.

Lech Walesa's visit occurred without any excesses. That may have been facilitated by his calm firm position: He has repeatedly told Poles living in Lithuania that Lithuania is their homeland, while Poland is their motherland.

Thus, the centuries-long misunderstanding between Lithuania and Poland is being resolved. Lech Walesa said that by the year 2000, Polish-Lithuanian borders will cease to exist, and Lithuanian Poles, indignant that Lithuanians have stopped relaying Polish television, have been advised to simply buy satellite dishes. Petty thieves celebrated this remarkable date in their own way: They stole the Lithuanian interior minister's official Mercedes in broad daylight.

Nationalists Union Collects Signatures for Early Elections

WS0405080394 Tallinn BNS in English 0514 GMT 3 May 94

[Text] Vilnius, 3 May, BNS—The Lithuanian Union of Nationalists on 2 May registered its initiative group and began collecting signatures under a demand to hold early parliamentary elections.

In its address to the people of Lithuania, the initiative group said early elections "is the only way to stop the pernicious governing of the LDDP (ruling Lithuanian Democratic Labor Party)" and to bring honest, competent and determined people to power.

To achieve its goal, the union has to collect 300,000 signatures in two months. The union's representative in parliament MP Leonas Milcius told reporters Monday [2 May] that the nationalists hope to collect signatures and to hold a referendum together with the Conservative Party, which earlier started collecting signatures for a referendum on unlawful privatization and compensation of savings.

So far, the union's initiative received support only from the Democratic Party. The nationalists and the democrats have six seats in the parliament.

A representative of the Democratic Party declined to comment on the passiveness of the conservatives and the Christian Democrats, but noted that "an observer status is not the best way out."

The Nationalist Union expects early elections to take place in February-March next year. The organizers said their are not worried by the results of public opinion polls, which suggest continuing popularity of leftist forces. "A greater part of the nation will come to reason."

Union of Peasants Changes Name, Presents Goals of New Party

WS0405091694 Vilnius TIESA in Lithuanian 19 Apr 94 No. 75 p 4

[Report by Ceslovas Skarzinskas: "The Peasant Party Is Emerging in Vilnius, While Farmland Is Being Ploughed in Dzukija..."]

[Excerpts] [passage omitted] Last Saturday [16 April], the Lithuanian Union of Peasants held its second congress in the assembly hall of the Ministry of Agriculture. This is, probably, the oldest political and social organization of Lithuanian peasants, which will celebrate its 90th anniversary next year. Having emerged during the czarist times, the Lithuanian Union of Peasants was a powerful party: It participated in the government and successfully resolved agrarian problems.

The restored Union of Peasants currently unites 420 members. Certainly, it is not numerous, and it almost does not stand out among other agrarian organizations. Speaking about the period under review at the party's congress, Professor Petras Becius, chairman of the Lithuanian Union of Peasants, said primarily that the assets of rural people have almost been wasted, that weeds are growing in many fields, and that food processing enterprises are indebted to land workers. The professor, as well as subsequent speakers at the congress, criticized the government which is doing little to improve the situation in agriculture. One of the most critical speeches was delivered by Professor Ksaveras Purvinskas. "Recently," he said, "rumors have been spreading that Lithuania does not need agriculture, and that the latter is supported from the budget." At the same time, the professor provided the following figures: If the state procured agrarian produce from peasants for world prices, the latter would earn even 2.5 million litai per year. Therefore, said K. Purvinskas, they would not have to beg from the state.

It is difficult to say where such statistics come from. One thing is clear—the produce of the Lithuanian agriculture is overly expensive for consumers today. It is not accidental that food exports must be continuously increased. The government is doing its best to protect its own land workers. The delegates in the congress may not or do not want to know this. They should look for ways of getting out of this quagmire. Professor K. Purvinskas also acknowledged this. It is necessary to upgrade the cattle stock anew and produce a larger crop. Is it normal that in most agrarian companies the annual milk yield of cows does not reach even 3,000 kg, or that fertile soil produces

only 20 quintals of grain [per hectare]? This used to be the case during the first years of collective farming. [passage omitted]

Professor K. Purvinskas termed the government's program for developing agriculture a "program for fooling land workers." "Peasants have no other alternative than to unite in this party," he said in conclusion. According to the professor, neither rightists nor leftists have yet resolved agrarian problems.

Many contradictory ideas were voiced at the congress. For example, the law on two-three hectare land plots was discussed extensively. Petras Becius said in his report that the party categorically speaks out against this law. However, Albinas Albertynas, member of the Lithuanian Union of peasants, who addressed the congress later, emphasized the pressing nature of this law. People are looking forward to the legalization of these two or three hectares. A. Albertynas berated the party program. According to him, such a program will not lead them to power.

In general, the congress defended the interests of landowners. As the delegates themselves admitted, however, presently there are about 180,000 families whose parents or grandparents did not possess any land before 1940. Those two or three hectares are a source of subsistence for such families. The Peasant Party proposes that the land which these families have been working be granted to them free of charge. However, another clause in the program as if cuts this proposal—in the first place, land must be unconditionally restored to descendants of former owners! Thus, if this occurred, 180,000 families, whose parents were landless, would not receive those two or three hectares, because there is a shortage of land in Lithuania. [passage omitted]

The congress of the Lithuanian Union of Peasants devoted the most of time to the difficult situation in agriculture, which, incidentally, is no secret to every citizen. Both rightists and leftists were scolded for this. Thus, the party is likely to adhere to the centrist position.

It is difficult to say how this organization, which on Saturday changed its name into the Lithuanian Peasant Party, will manage to attract rural people to its ranks. Will the latter approve of its program and vote for its representatives in the new elections? There is only one issue that bothers land workers today—how to sow and plant this spring. In other words, how to survive. One could become convinced of that on the same day of the congress.

The congress elected Seimas [parliament] deputy Albinas Vaizmuzis, who does not belong to any faction, chairman of the Lithuanian Peasant Party. Petras Becius, Stanislovas Liucvaitis, and Ksaveras Purvinskas were elected his deputies. The congress also elected the council and executive committee of the party. [passage omitted]

Introduction of VAT 'Not as Smooth as Expected'

WS0405080494 Tallinn BNS in English 0514 GMT 3 May 94

[Text] Vilnius, 3 May, BNS—The introduction of the value-added tax in Lithuania 1 May was not as smooth as expected by the government.

The 18-percent tax replaced the equal size general excise tax, however apart from being applied to local products, the new tax was also imposed on imports.

As soon as the new tax came into effect, the usual routine was disrupted at Lithuanian customs offices. Not knowing how to apply the new value-added tax law, customs officers simply stopped all cargoes on the border. Vitalijus Girzonas, head of the Lithuanian Customs Department, said lines of trucks have become even longer at the Lazdijai crossing on the Lithuanian-Polish border because a number of companies failed to bring goods into the country before 1 May.

Ignorance of the value-added tax law created additional problems for tax inspectors, who are unable to answer all questions asked about the new tax.

Experts of the European Union's PHARE [Poland-Hungary Action for Restructuring Economy] program came to Lithuania around a month ago to help prepare for the introduction of the new tax. PHARE experts provided a considerable amount of information about the tax to the public, but the desired result was not achieved.

Forecasts of the expected price-leap are quite controversial and range from 3 to 20 percent. Drivers were first to experience the new tax when gasoline prices jumped by as much as 25 percent in some gas stations.

The reaction of store owners varied. Prices did not change at a majority of stores in Vilnius, although salespeople said imported goods may become more expensive very soon. But nearly all stores changed prices and were closed Monday in the second biggest town of Kaunas. Virtually all store owners agree that sales will drop.

Lithuanian industrialists said the value-added tax will scare away foreign investments, although the authors of the value-added tax law contend that the tax will stimulate the investment process.